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S. L. Weatherly
Cleveland
Ohio

THE
MERCHANTS' MAGAZINE,
AND
COMMERCIAL REVIEW.

VOLUME II.

NEW YORK:
FREEMAN HUNT, EDITOR AND PROPRIETOR,
142 FULTON STREET, (REAR BUILDING.)
MDCCCXL.

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v.2

57671

Entered, according to the Act of Congress, in the year 1839, by
FREEMAN HUNT,
in the Clerk's Office of the District Court of the District of New York.

CRAIGHEAD & ALLEN, PRINTERS,
No. 112 Fulton-street.

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HUNT'S

MERCHANTS' MAGAZINE.

JANUARY, 1840.

ART. I.—COMMERCE AS A LIBERAL PURSUIT.*

BEFORE an association numbering among its members many who have embraced some one of the numerous pursuits of commerce, it may seem strange and almost misplaced to argue, or debate upon a truth, which to such auditors must seem self-evident.

Yet there are portions of our own country, so emphatically a commercial one, where this truth, self-evident among us, seems not to be understood—and it was the language used on a public occasion and in a body of distinguished men, in regard to the mercantile classes, that led to the selection of the topic which it is now proposed to discuss.

Not very long ago a convention of our southern states was held for the purpose of devising means to resuscitate, if possible, the prosperity of the planting states on the Atlantic, and especially to recover that portion of the carrying trade, and of the direct trade, with Europe, in which some of their sea-ports formerly participated.

In the address put forth by this convention, and which was understood to be drawn up by Mr. McDuffie, this passage occurs, and it is quoted in the nature of a text to the observations afterwards offered.

"The staple-growing states," says Mr. McDuffie, "can never be practically independent, and enjoy the full measure of the bounties which Providence has so lavishly provided for them, until the commerce which is founded on their valuable productions, shall be carried on by our own merchants permanently resident among us, whether they be native or adopted. The pursuits of commerce must be liberalized.

"The commercial class must be elevated in public opinion to the rank in society which properly belongs to it!! The avocation of the merchant requires as much character and talent, and is of as much dignity and usefulness, as any other pursuit or profession, and the senseless prejudice which could assign to it an inferior rank, has been blindly borrowed from those ancient republics and modern despotisms, whose policy it was to regard war as the only honorable pursuit. As agricultural productions, which find their market principally in foreign countries, constitute the almost exclusive source of our wealth, the mercantile class is as indispensable to our prosperity as the agricultural. Their interests are inseparably identified, and whatever affects the prosperity of the one must have a corresponding influence on the other. How much then does the general welfare of the staple-growing states depend upon diverting into the pursuits of commerce, a large portion of the capital, the character, and the talent which have been hitherto directed too exclusively to agriculture and the learned professions? It is the deliberate opinion of the committee that no one change could be made in our pursuits, that would so largely contribute to the public prosperity — and that those public-spirited citizens who shall take the lead in this new career of useful enterprise, will deserve to be regarded as public benefactors."

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* A lecture delivered before the Mercantile Library Association, by Charles King, Esq., and now first published in the Merchants' Magazine.

From this extract it will be distinctly perceived and felt, that in the staple-growing states — as those states are somewhat presumptuously called which raise cotton and tobacco, but do not raise wheat — commerce is not deemed a liberal pursuit, and that the force of public opinion, backed by the sense of pecuniary interest, is invoked, in order to encourage and stimulate men of character, capital, and talent, to embark in a vocation under the ban of what is properly characterized as a "senseless prejudice."

The object of the following remarks will be to show how very "senseless" in truth this "prejudice" is, how irresistible the claim of commerce to be deemed a "liberal pursuit," and how eminently absurd the pretension of assigning an "inferior" social rank to those who cultivate it.

We speak of commerce in its most comprehensive sense, and of course as embracing the numerous cognate pursuits which go to make up the vast whole, and all which partake in a greater or less degree of the liberalizing influence claimed for the profession itself.

The first great claim to be asserted for commerce is, that it is the antagonist of war, and of all the crimes and misery of which war is productive. Hence it is well said in the extract just quoted, that it was "the policy of ancient republics and modern despotisms, who considered war as the only honorable pursuit, to depreciate commerce."

The history of the distant and of the recent past, is alike full of instances in proof of this position ; but it would lead us too far away, and occupy too much time, to go into details. The fact, however, challenges contradiction, that, as the genius of commerce acquires influence and sway, the fierce spirit and bloody rites of war are gradually subdued, and of less frequent celebration. Not to the jealous honor, nor the rapacious vengeance of military leaders, or feudal barons, is the appeal on questions of war and peace now made, but to the mighty, far reaching, and diversified interests created, set in motion, and controlled by a class of men, upon whom the steel-clad soldiers were wont to look down in disdain. Nay, so great is the change effected in public sentiment in this matter, that these very warriors are now frequently made subsidiary to the wants of commerce, and are valued and entertained to a considerable extent, in order to afford security and protection and permanence to its peaceful pursuits.

It is to enable the merchant to follow out his distant enterprises in safety, that proud navies ride over trackless seas, and armies themselves, are sometimes the escort of the trading caravan.

"The age of chivalry is gone," happily gone—regretted only by romantic dreamers and poetic lays—and to it has succeeded, what in the beautiful lyrics on Alnwick Castle, one of our truly inspired poets has called—not admiringly perhaps, a "bank note age," in which

> The Duke of Norfolk deals in salt,
> The Douglas in red herrings,
> And guerdoned sword and titled land,
> Are powerless to the notes of hand
> Of Rothschilds, and the Barings.

Long may this "bank note age" endure, for its very name implies settled order, equal laws, mutual trust, industry, contentment and peace.

COMMERCE IS THE NURSE AND COMPANION OF FREEDOM.

The first dawn of liberty, in the middle ages, was in the free cities of Spain and Italy—cities founded, inhabited, and defended by men of trade—merchants, mechanics, and artisans, devoted to, and flourishing and gaining strength by their perilous, yet gainful callings, while all around were predatory barons, at the head of their unreasoning serfs.

"As soon," says the historian, (Robertson,) as the cities of Italy "began to turn their attention towards commerce, and to conceive some idea of the advantages they might derive from it, they became impatient to shake off the yoke of their insolent lords, and to establish among themselves such a free and equal government as would render property secure and industry flourishing."

The fruits anticipated from a free and equal government were speedily realized, and monarchs and feudal superiors were glad to concede to these cities immunities, which in return enabled them to supply the wastefulness of war, and the barbarian prodigalities of military debauch in time of peace. Free corporations spread all over the continent of Europe, and their influence on government and manners was not less salutary than extensive.

"A great body of the people" says the same author, "was released from servitude, and from all the arbitrary and grievous impositions to which their wretched condition had subjectod them. Towns upon acquiring the right of community, became so many little republics, governed by known and equal laws. Liberty was deemed such an essential and characteristic part in their constitution, that if any slave took refuge in one of them, and resided there during a year without being claimed, he was instantly declared a freeman, and admitted a member of the community. * * * * * *

"The acquisition of liberty made such a happy change in the condition of all the members of communities, as roused them from the inaction into which they had been sunk, and the wretchedness of their former state. The spirit of industry revived. Commerce became an object of attention, and began to flourish. Population increased. Independance was established, and wealth flowed in."

The superior refinement, and more abundant comforts and conveniences of life, consequent upon these causes, reacted both above and below — civilizing and taming the wild spirit of the warlike barons, and elevating the character and the hopes of the free laborer and artisan. Bound no longer to the soil, nor forced from the cradle to the grave to labor on it for the benefit of a master, in the immunities of these cities, the freeman recovered the feelings of self-respect; a renewed consciousness of the dignity of his nature; and with these came the desire and the faculty of raising himself by his own industry in the social scale.

Of Barcelona especially, a free city of Spain, the following account is given by a countryman of our own, whose recent history of Ferdinand and Isabella, has already, by the consent of Europe and America, taken its place among the works that cannot die.

"Barcelona," says Mr. Prescott, "claims the merit of having established the first Bank of Exchange and Deposit in Europe, in 1401 — it was devoted to the accommodation of foreigners, as well as to her own citizens. She claims the glory, too, of having compiled the most ancient written code among the moderns of maritime law now extant, digested from the usages of commercial nations, and which formed the basis of the mercantile jurisprudence of Europe during the middle ages. The Consulado del Mar was published about the middle of the thirteenth century.

" But the peculiar glory of Barcelona was the freedom of her municipal institutions. Her government consisted of a senate or council of one hundred, and a body of regidores or counsellors as they were styled, varying at times from four to six in number; the former intrusted with the legislature, the latter with the executive functions of the administration. A large proportion of these bodies were selected from the merchants, tradesmen, and mechanics of the city. They were invested not merely with municipal authority, but with many of the rights of sovereignty. They entered into commercial treaties with foreign powers; superintended the defence of the city in time of war; provided for the security of trade; granted letters of reprisals against any nation who might violate it; and raised and appropriated the public monies for the construction of useful works, or the encouragement of such commercial adventures as were too hazardous or too expensive for individual enterprise.

"The counsellors who presided over the municipality were complimented with certain honorary privileges not even accorded to nobility. They were addressed by the title of Magnificos; were seated with their heads covered in the presence of royalty; were preceded by macebearers, or lictors, in their progress through the country; and deputies from their body to the court were admitted on the footing, and received the honors of foreign ambassadors. These, it will be recollected, were plebeians, merchants and mechanics. Trade never was esteemed a degradation in Castile."—*Prescott,* Vol. i. p. 112, &c.

We could readily add to these instances from the admirable history just quoted, but contenting ourselves with commending that work to the perusal of all who unite, with a high relish for literary perfection, a just and patriotic pride in the eminent success of a countryman, in the difficult path of historical composition, we pass to the next branch of our subject.

COMMERCE IS THE CIVILIZER AND REFINER OF NATIONS.

It has already been seen how, under the operation of this potent cause, the spirit and excesses of war were at an early period restrained, and how—first, villages, then towns, and then nations, rose and prospered just in proportion to their industry and peace. As wealth accumulated, new desires sprung up, and these in turn gave impulse and employment to new devices of industry, and a more extended scope to adventure.

The protection of a regular government, and the consciousness of security both in person and in property, leaving the mind free from solicitude, it naturally sought to exercise itself in the boundless fields of inquiry open to it. Science, learning, taste, were eagerly cultivated, and the contempt for knowledge that characterized the unlettered soldier, was succeeded by zealous application to those studies which soften the manners while they improve the heart. It is in the nature of such causes to be contagious. Hence all improvements spread rapidly from nation to nation. It is one of the high privileges of commerce to disseminate principles equally with the produce of the earth and of the industry of man's hands. The richly freighted argosy careering over distant seas, carries in its bosom a freight more precious than its most precious wares, in the cultivation, the knowledge, and the intellectual, and moral improvement of the people from among whom it goes forth.

In all time it has been commercial nations that have advanced civilization. The Phœnicians, insignificant in their territory, have left a deathless name as a commercial people, and even in defeat, the genius of their institutions asserted its power.

It was the obstinate resistance made against Alexander by the merchants of Tyre, that first inspired him with a due conception of the value of commerce. Accustomed to march from conquest to conquest, and to see "men in nations" at his feet, this great soldier found himself long and fearfully baffled by a mere trading city. He carried it at last only through the treachery of those allies who should have aided in defending it.

The sagacity of Alexander was not long in profiting by the lesson then learned, and the noble city of Alexandria built by him, at the mouth of the Nile, attested to long ages after, by its opulent and successful commerce, that the conqueror had not mistaken or misapplied the causes of such greatness. Up indeed to the close of the fifteenth century, this famous commercial mart founded by a soldier, 333 years before the birth of Christ, maintained its ascendancy—which was only then yielded to a new achievement of commerce—the revelation through the voyage of Vasco de Gama of the passage to India round the Cape of Good Hope.

The Carthaginians and the Greeks offer additional illustrations of the remark that commercial nations are the pioneers of civilization, and the history of the Romans confirms it, as it were by contrast—for it is well remarked by the Abbé Raynal, that "The Romans with their warlike institutions did not, like the Greeks, promote the advance of reason and of industry. They furnished indeed to the world a grand spectacle, but they added nothing to the arts or knowledge of the Greeks.

"It was by binding nations to the same yoke, and not by uniting them through the means of commerce, that they increased the intercommunication among men. They ravaged the earth, and when they had subdued it, the repose that ensued was a lethargy. Their despotism and military government oppressed the nations, extinguished genius, and degraded the human race."

In more recent times the Genoese, the Venetians, and the Pisans, while aiding the wild adventures of the crusaders, and supplying them with munitions, arms, and transports, imparted, even to such a host, perceptions of a better state of things than barbarous war. These perceptions were indeed dim and faint, but their influence was eventually manifested among the nations to which the warriors belonged, and in most of the countries of Europe, the germ of a more refined taste was coeval with, and consequent upon, the return of the crusaders.

To come still nearer to our own day. We have only to advert for an instant to the discovery of our own continent—that greatest achievement of the spirit of commerce—the noble prize of the courage and perseverance of "the world seeking Genoese," the merchant sailor, Columbus. The mighty influence of this event, and of the discovery of the passage round the Cape of Good Hope, upon the destinies of nations—in being, and yet to be—sufficiently attests the fact of the refining and civilizing tendencies of commerce.

COMMERCE IS AVERSE TO MONOPOLIES AND RESTRICTIONS.

The day has long since passed when it was believed that the prosperity of one country could only be promoted at the expense of some other country, or that in dealings between man and man, the gain of one must necessarily be the loss of the other. The genuine commercial spirit, which is destructive of all sorts of monopolies, has taught us that reciprocal benefit is the surest basis of trade, and in proportion as obstacles and restrictions are done away, that the natural sagacity and self-interest of individuals lead them to the most advantageous results. Hence the *laissez nous faire*, which was the despairing supplication of the French merchants to Colbert, who fancied he understood their interests better than they did themselves—is now an axiom universally received, though not, it must be admitted, always practically carried out. It is this spirit, which, in the language of McCulloch, "enables every separate country to profit by the peculiar natural powers and acquired skill of all the others. While, on the other hand, it communicates to them whatever advantages it may enjoy. Every nation is thus intimately associated with its neighbors. Their products, their arts, and their sciences are reciprocally communicated; and the circulation that is thus excited and kept up, forces *routine* to give place to invention, and inspires every people with zeal to undertake, and perseverance to overcome, the most formidable tasks. It is not possible to form any accurate notion of what would have been our condition at this moment, had we been confined within our own little world, and deprived of all intercourse with foreigners. We know, however, that the most important arts, such as printing, glass-making, paper-making, &c., have been imported from abroad. No doubt we might have invented some of them ourselves, but there is not a shadow of ground for supposing that we should have invented them all, and without foreign example and competition, we should hardly have carried any of them beyond the merest rudiments."

What is true in this matter of nations, is equally true of smaller communities; of towns, villages, and neighborhoods. The original guilds and crafts, and the various municipal regulations, whereby the prosecution of certain trades was restricted to those free of the city, were all at variance with the true commercial spirit which inculcates the widest and freest competition, and finds its best aliment and surest prosperity in throwing down all barriers to the unlimited and illimitable spirit of individual enterprise. This truth, moreover, is comprehensive and of universal application. If, in minor things, it forbids restraints upon the exercise of individual faculties in such way as individual interest may suggest, it in like manner, forbids them in all others. If it be adverse to its spirit to declare by law that only so many persons shall pursue a particular calling, as that of shoemaker, tailor, butcher, or blacksmith; and to prescribe the rules under which even these licensed persons shall carry on their business, it is not less so to enact laws by which the business of an auctioneer or a banker shall be subject to special regulation, or altogether forbidden. Controlling reasons of state necessity may, indeed, sometimes constitute an exception—not to the truth, but to the application of the rule—that all pursuits may, and should be left to the regulation and control of individual interest and individual enterprise, always, of course, in subordination to the constitution and laws of the land. But these exceptions are rare, and like exceptions in general, serve rather to confirm than to invalidate the rule.

COMMERCE IS THE PROMOTER OF PUBLIC IMPROVEMENTS AND OF THE MECHANIC ARTS.

Under this head a volume might be written in elucidation of the various and manifold encouragements afforded by commerce to the exercise of human ingenuity, in promoting the welfare and facilitating the intercourse of men and nations. We may not wander far into the tempting theme. Nevertheless, one or two illustrations cannot be passed over.

Take for example the noblest, and much as we who are dwellers on the sea-board are familiarized with it, still the most magnificent and striking of man's physical works—a ship. What can be more daring than the first conception of such a structure! A combination of frail and perishable materials, thrown upon a strange and dangerous element, pathless, treacherous, and indomitable—and yet to which man, impelled by the spirit of commerce, hesitates not to commit himself, his fortunes, and his life. Well has Horace sung—

> Sure threefold brass or oak
> Encased his bosom, who first undertook
> To make the frail bark brave
> The headlong fury of the boisterous wave.
> He nor rude South-west feared,
> That warfare which the Northern gusts declared,
> Nor the sad Hyades,
> Nor yet the raging South, whose forceful breeze
> Rules Adria's surgy fate,
> Whether it stills or vexes the rough strait.
> What form of death could fright
> Him, who unmoved, could fix his steadfast sight
> On monsters of the deep,
> The swollen flood, or fell Ceraunia's steep.

On all these perils, however, the commercial mariner calmly looks.

The first traditionary ship of which we have any account, is the renowned Argo that bore Jason and his heroic band in search of the golden fleece—an allegory, if the story be not all poetical, intended doubtless to illustrate the golden return which commerce makes to her votaries.

Yet from the good ship Argo antecedent to the siege of Troy—how immeasurable the distance! how unspeakable the progress!—to those floating palaces, complete in all things, which now weekly—between this land then undreamed of in any philosophy—and the British isles, and Gaul divided into three parts—then as little known to the Greeks as this continent—interchange the produce, the wealth, the literature and the civilization of two worlds.

Take again the noble war ship—of itself a populous little empire—and compare it, as we see it sometimes floating on our waters, destined to bear our flag and protect our commerce in the most distant seas, with the war-gallies and triremes of the elder time, that scarcely ventured to lose sight of the shore—the one laboriously propelled by oars—three deckers indeed, for bank rose above bank, upon which the oarsmen were seated—the other, to borrow the beautiful imagery of Mr. Canning, "reposing on its shadow in perfect stillness, and anon upon any call of patriotism or of necessity, assuming the likeness of an animated thing instinct with life and motion, ruffling as it were its swelling plumage and putting forth all its beauty and its bravery, collecting its scattered elements of strength, and awakening its dormant thunders."

But mightier and more wonderful than ships, and controlling, as it were, the elements themselves, subduing them to man's use, and out of antagonist principles of destruction educing safety, strength, and power, behold the steam engine—for that, too, is the offspring of commerce.

At first a subject of ingenious experiment and learned speculation, until it excited the attention of the practical mind of Watt, steam had found no extensively useful application. But residing in the midst of a highly commercial and manufacturing people, Watt saw in it a power that needed only to be comprehended and controlled, to become almost without hyperbole, the lever that Archimedes sought in vain—a lever that should move the world. He gave to it the study and reflection of his eminently strong and clear understanding, and the result was a combination of machinery capable, like Heaven's lightning, of rending asunder the gnarled oak; or, as with the delicate finger of woman directing the cambric needle in its finest embroidery—now forging anchors for the ship of the line, and anon weaving the gossamer filaments of the aerial scarf that floats from the neck of beauty.

Then came our own Fulton, who carrying upon a new element the combined mechanism and science of Watt, produced the steamboat. This great discovery seems to have been reserved for his day and for this mighty continent, adapted, as it specially is, by its rivers of a thousand leagues, its deep indentures of bays, and its vast inland seas, for the use of steam-propelled vessels.

One example more of improvement due to the genius of commerce will terminate this branch of our inquiry. It is that of railroads. A foreign diplomatist in this country when asked what he thought of the city of Washington, not unaptly replied, "that it was a city of magnificent distances." In a more extended and not less accurate sense, may it be said, that ours is a country of magnificent distances, and just when these distances were becoming inconvenient, and our mercurial and restless population were at a loss for some adequate means of more rapid intercommunication, the "iron roads," as the French call them, are introduced, and through the potential agency of steam, again, men and things are whizzed in railroad cars over the surface of the earth, as in steamboats over the surface of the waters—and not only are time and space comparatively annihilated, but hills and dales, and mountains and valleys—and all this, and much more, if time would allow a more extended inquiry, is due to the genius of commerce.

COMMERCE NOT ONLY ENCOURAGES, BUT DISSEMINATES FAR AND WIDE SCIENCE AND LITERATURE.

Perhaps this topic has already been sufficiently, though incidentally, treated. It shall not therefore be dwelt upon at any length. It cannot, however, but be perceived that "in making the people of each country acquainted with foreign inventions and arts, and in stimulating ingenuity by bringing them in competition with strangers, the iufluence of commerce is most powerful."

"Commerce," says McCulloch, "distributes the gifts of science and art as well as those of nature. It is the great engine by which the blessings of civilization are diffused throughout the world. It establishes a friendly intercourse among the people of all countries, and makes every one acquainted with the processes carried on and the inventions made, in every corner of the globe. Were any considerable improvement made in any important art, either in China or Peru, it would very speedily be understood and practised in England. It is no longer possible to monopolize an invention. The intimate communication that now obtains among nations, renders any important discovery, wherever it may be made, a common benefit. The ingenious machine invented by Mr. Whitney of the United States, for the purpose of separating cotton wool from the pod, has been quite as advantageous to us as to the Americans, and the inventions of Watt and Arkwright have added to the comfort of the inhabitants of Siberia and Brazil as well as of England."

All this is as true of literature as of art and science. Scott wrote, not for Great Britain, but for civilized man; and oft and again, ere yet the last pages of an Ivanhoe, an Old Mortality, or a Kennilworth, had well passed from the revising hand of their exhaustless author, on the banks of the Hudson, the Ohio, the Amazon, and the Ganges, bright eyes were weeping, and generous hearts were fired, and daring arms were in imagination flung aloft, as the sorrows, the chivalry, or the wrongs bodied forth in these magic pages, moved the sympathetic soul.

Not to his own land alone sang the poet of passion and misanthropy, Byron, but borne on the wings of the winds, his deep tones of sorrow, his writhings of remorse, his perceptions, "all their original brightness not yet lost," of woman's loveliness and purity, his withering scorn of earth and almost of Heaven, reached nearly as soon as uttered, the extremes of the habitable world. To adopt two of his own lines—

> "Far as the breeze can bear, the billow's foam,
> Survey *his* empire and behold *his* home."

COMMERCE IS THE HERALD OF RELIGION.

It has not indeed aways discriminated, as in the nature of things it could not, between the true and the false, between religion properly so called and superstition — between the messages of the gospel and the glosses of man; but yet it has gone on, spreading what was of itself light and consolation, or what by the necessary investigations or reflections it provoked, led to such blessed consummation.

At the period of the crusaders, religion, or what then was deemed such, was instrumental in advancing commerce, through the inducements held out to the commercial republics of Italy to assist with their wealth, ships, and stores, these martial efforts to rescue the Holy Land.

Religion, too, constituted an important element in the expeditions fitted out at a later period, by Ferdinand and Isabella and their successors, to visit the then newly found world of Columbus. The conversion of the natives was not deemed second in interest to the monopolizing of those vast treasures, with which Cortez and Pizarro astonished and excited their adventurous countrymen. It is indeed melancholy to reflect, how far the thirst for gold, in its excess, both corrupted the faith and hardened the hearts of these commercial propagandists, and how many thousands of innocent creatures were baptized in their own blood, in the name of that Being whose essence is love, and whose most glorious attribute is mercy.

But far different and more gratifying is the spectacle presented in modern days. The command " go ye into all the world, and preach the gospel to every creature," is now most literally obeyed, and from every commercial nation, together with their vessels of trade, go forth missionaries to proclaim the religion of the Bible—the only religion, even if its divine origin could be doubted by a sincere and earnest inquirer, that is fitted to humble the presumption, to subdue the fierceness, to temper the joys and console the afflictions of this mortal existence.

Reproving the idolatry of the Hindoo—and the dreadful rites of Jugernaut; in despite of the sleepless jealousy of foreigners so unchangeably characteristic of the Chinese—regardless of the cannibal ferocity of the New-Zealanders—wherever, in short, the merchant flag of Christendom is seen—there, raised beside it, and beneath its folds, is the banner of the cross, conquering and to conquer.

Its meek and self-denying soldiers—without arms or physical power—but in the might of a cause that cannot fail, however it may fare with those who seek to extend the knowledge of it—relinquishing home and friends and country, to fulfil their high vocation, wherever and to whatever it may lead them.

No people now would venture to do what is imputed, though on insufficient evidence, to the Dutch, in their earlier attempts to obtain a settlement in Japan—that in order to propitiate the jealousy of the idolatrous natives, they trampled upon the cross. Far, far otherwise, is now the fact, and instead of seeking fortune at the expense of faith, millions are habitually and cheerfully paid from the earnings of the merchant, to extend the benign rule and influence of that faith. And well, indeed, even in a temporal point of view, are the aids thus furnished by commerce to religion repaid. The influence acquired by the missionaries over the heathen, among whom they labor, and the information they obtain of the productions, resources, and wants of the regions they visit, contribute largely both to the security and comfort of those trading thither, and to the variety, enlargement, and benefits of the trade itself.

Take, for example, the group of the Society Islands—with it Otaheite or Tahiti—deservedly looked upon as the gem of the Pacific. When explored by Cook, the voluptuous and gentle natives of this beautiful island were given up to ignorance, sensuality, and all forms of licentiousness. As far back as the close of the last century, the London society sent missionaries to this island, but for a period of nearly twenty years, no good results were discernible from their efforts. Up to 1808, they could not boast of having made a single convert, and disheartened at the prospect, they abandoned the region, leaving only a few of their number at Eimeo, a smaller island of the group. This, however, happily proved to be good seed, for, from Eimeo went forth soon after, the spirit that regenerated and converted the people. Their king, Pomarre, driven from Tahiti by his rebellious subjects, took refuge at Eimeo. The missionaries approached him in his exile and degradation, and found him open to their teachings to such a degree, that after having with his family been among the most zealous votaries of the ancient superstitions of the land, he made an open profession of Christianity. The cooking and eating of a turtle, before held as a tabooed animal, first publicly announced the change. Several distinguished chiefs followed his example. The daring experiment made by one of them named Hetotte, is particularly recorded by Captain Beechy. It had hitherto been an article of undoubted faith, that whoever should eat any portion of the flesh of a hog offered in sacrifice, would be punished with instant death. Hetotte determined to put this to the proof, and accordingly stealing a portion of the sacred pork, he retired to a corner, ate it, and awaited in dread suspense the issue. Finding, however, that instead of the threatened doom, he derived from the food the usual nourishment and refreshment, he not only abandoned the superstition himself, but denounced it to all his countrymen. Thence was Eimeo Christianized—which done, Pomarre, after one or two unsuccessful attempts, re-established his authority in Tahiti, overthrew the Pagan altars and usages, and brought its people under the dominion of the Christian religion. Eimeo remains as it should, the centre of that civilization which originated there, and contains a South Sea Academy, a printing office and a cotton factory. The art of agriculture, the spirit of commerce, a knowledge of, and respect for property and the obligations and restraints of social life, now—thanks to missionary efforts, seconded, it is only just to say, in many instances, by the mercantile and military marine of Europe and America—exist where barbarism, licentiousness, and the bloody rites of paganism held undisputed sway.

Look, too, at the Sandwich Islands, more particularly the field of American missionary labors. *Owyhee*— where, in a sudden and unpremeditated tumult, the circumnavigator, Cook, lost his life at the hands of the natives—is the chief island of this group, and is inhabited by a hardy and industrious race, who have been remarkable for their efforts to raise themselves to the level of European arts and civilization. Rio Rio—the sovereign embraced christianity in 1819, and abolished all idolatrous worship. He soon after, with his wife, visited England, where they were treated with royal honors; but in which country they both contracted a fever that destroyed them. Owing to this calamity, and to a disputed succession, no religion was, for some years, substituted for the ancient one that had been abolished. Missionaries from the United States, however, labored zealously among them, and established an extensive influence over the natives. These pious men have, indeed, been charged by some maritime visiters, with having established too austere a system, with proscribing innocent amusements, and requiring such long daily attendance at church as to interfere with the necessary pursuits of industry; but these complaints seem exaggerated, and beyond doubt, missionary influence has advanced and is advancing the cause of civilization. Schools have been established in which a considerable portion of the population have learned to read; churches have been erected; a printing press and newspaper conducted by one of our own countrymen have been some years in operation; several school books, and a great portion of the Bible have been printed in the language of the natives; the useful arts have been introduced, and a gradual improvement in the manners and the morals of the people has taken place.

Here, then, by the aid of English and American missionaries, who accompanied the trading vessels of the two nations into the distant Polynesian seas, these islands before useless at least, if not dangerous to the hardy navigator, are become regular stopping places and places of refreshment, and may now be considered as included in the regular commercial lines by which the ocean is traversed. As the route from Great Britain to her Australasian settlements is equidistant nearly by Cape Horn and by the Cape of Good Hope, vessels frequently prefer the former, and touch for supplies at the Society Islands. The Sandwich Islands are situated in the route to the whale fishery of the Northern Pacific, and in that of the fur trade from the north-west coast of America to China. Hence their harbors are sometimes crowded with American vessels, and American commercial houses are established there.

There amidst these intra-tropical islands, which but for their lofty mountains, equalling almost in height the loftiest mountain range of continents, and the vast expanse of the surrounding ocean, would, from their nearness to the sun, be little better than arid deserts—the adventurous voyager, after long absence, finds a home, and kindness and refreshment—his own language and his own religious rites. The church-going bell, though sounding amid unaccustomed forests of bread-fruit trees and sandal wood, yet falls even there upon his ear with its sweet familiar tones, recalling mayhap his native village, and its simple but pious inhabitants, wending their way in holiday attire, to the temple of the being, who is God over all. In that hour, and in that far away land, he will think perhaps, of the parents that watched over his childhood, of the sisters whose tears mingle with the prayers they put up for an absent brother—and he is a better and holier man for such reflections—and let not this be deemed a trivial or inconsiderable benefit—for it is among those which touch and control the finer feelings of our nature, and which amid trials and temptations, recur to warn, to guard, and to save.

Having thus in a somewhat discursive and rapid historical retrospect, endeavored to establish the claim of commerce to be considered a liberal pursuit, it remains only to apply these general truths to our own times and nati n, and to show that in these United States, the commercial classes have well maintained the honor and the usefulness of their vocation.

Like the free cities of the middle ages, this nation had its foundation in the love of liberty, and in the spirit of commercial adventure. Impatience of political oppression and religious intolerance, founded the colonies—impatience of commercial restriction and of enterprise, toiling not for itself, but for the mother country, made these colonies independent nations. The spirit of liberty gave impulse and vigor to the spirit of commerce, and it in return imparted to liberty a consciousness of strength and a jealousy of encroachment, that took alarm at the most distant approach of oppression. It was of this people that Burke in his splendid speech on conciliation with America, said, "in other countries, the people more simple, and of less mercurial cast, judge of an ill principle in government only by an actual grievance; here they anticipate the evil, and judge of the pressure of the grievance by the badness of the principle. They augur misgovernment at a distance, and snuff the approach of tyranny in every tainted breeze." Nor did this consummate statesman judge this people's daring spirit of commercial enterprise less accurately, than their quick instinctive love of freedom and hatred of oppression. In the same speech he thus describes that branch of maritime adventure, which, to this day, and in spite of the competition of the world, is the peculiar glory and triumph of American navigation—I refer to the whale fishery.

"Pray, sir," exclaimed Mr. Burke, in addressing the Speaker, "what in the world is equal to it? Pass by the other parts, and look at the manner in which the people of New England have of late carried on the whale fishery. Whilst we follow them amongst the tumbling mountains of ice, and behold them penetrating into the deepest frozen recesses of Hudson's Bay and Davis's Straits, whilst we are looking for them beneath the arctic circle, we hear that they have pierced into the opposite region of polar cold, that they are at the antipodes, and engaged under the frozen serpent of the south. Falkland Island, which seemed too remote and romantic an object for the grasp of national ambition, is but a stage and resting-place in the progress of their victorious industry. Nor is the equinoctial heat more discouraging to them than the accumulated winter of both the poles. We know that whilst some of them draw the line and strike the harpoon on the coast of Africa, others run the longitude and pursue the gigantic game on the coast of Brazil. No sea but what is vexed by their fisheries, no climate but what is witness to their toils. Neither the perseverance of Holland, nor the activity of France, nor the dexterous and firm sagacity of English enterprise, ever carried this perilous mode of hardy industry to the extent to which it has been pushed by this recent people—a people who are still, as it were, in the growth, and not yet hardened into the bone of manhood."

This splendid testimony to extraordinary daring and skill was delivered in the British House of Commons, in March, 1775, and after the lapse of nearly two-thirds of a century, it is as just and as peculiarly appropriate, as when first pronounced.

The resistance that led to the emancipation of these colonies, was, as has already been suggested, the result of a mingled apprehension of political oppresssion and commercial restrictions: and, among all classes that nobly girded themselves for the apparently unequal contest of three millions of colonists, scattered thinly over a wide spread territory, against the concentrated power and might of the ancient British empire—none took their part earlier—none adhered to it more faithfully—none sacrificed for it more largely, than the commercial class.

In that immortal congress that adopted the Declaration of Independence — a muniment of liberty in comparison with which the famed Magna Charta sinks into insignificance—sat many merchants. It was the merchant John Hancock that presided over its deliberations, and that first put a bold unshrinking hand to that perilous Declaration. With him in glory and in danger, were the merchants, Robert Morris, and George Clymer, of Pennsylvania; Elbridge Gerry, and Samuel Adams of Massachusetts; William Whipple of New Hampshire; Phil'p Livingston, and Francis Lewis of New York; Joseph Hewes of North Carolina; and Burton Gwinnett of Georgia. The pledge of life and fortune to the cause with them was a substantial pledge, and nobly, faithfully, and disinterestedly was it redeemed.

It was a merchant of New York, Alexander McDougall, that, after braving the resentment of the colonial Legislature—on the breaking out of hostilities, abandoned his counting house, received the command of a regiment, and in the disastrous battle of Long Island, in September, 1776, and more especially in the masterly retreat, in the face of a triumphant enemy across the East river, signally distinguished himself. He served throughout the war, rising to the rank of Major General; and when it was over, he returned to his commercial pursuits, and became the first President of the Bank of New York.

Again, when during the war, all was gloom and distrust in congress, and the army of Greene in the Carolinas, with the enemy within its grasp, was paralyzed for the want of supplies — without munitions, food or clothing — it was the merchant Robert Morris, that on his own credit, and through his own means, when the country had neither credit nor available means, created resources and organized victory. No one can read the letters written to him at the time by General Greene, nor those by General Washington, without feeling that this testimony to the services of Morris is in no degree exaggerated.

Having thus essayed to make good the proposition originally laid down, and especially to show that however regarded elsewhere, here at least, no pursuit can assume to take precedence, either in dignity, objects or means of that of commere — and that in all time a contempt of this calling, and of those addicted to it, has been the companion of barbarism, ignorance, or prejudice — it remains only in conclusion to say a few words in the way of practical application, of what may be deemed general truths.

It is obvious to remark of every vocation that, however recommendable or honorable in theory, the public estimate concerning it will be formed from the conduct and not from the profession of its followers, from actual experience and not from traditionary or historical honors. Hence the importance not only in an individual but professional point of view, that he who is training himself to the career of a merchant should feel that as he may act his part, will credit or disgrace attach not to himself alone but to a great and honorable brotherhood in which he is enrolled. In this particular our merchants are not sufficiently sensitive. They lack somewhat that *esprit de corps*, that regard for the character and honor of the profession which looks upon a stain on one of its members as an imputation upon all; and which imparts unity of purpose and efficiency of action in all matters connected with its interests or reputation.

In other pursuits, civil or military, this *esprit de corps*, is cherished as an arm of strength and an incentive to virtue. In effect, as the certainty of being discountenanced and disowned for any unworthy act by his fellow laborers and associates, must ere now have given pause to many a man when sorely tempted to swerve from his integrity; so, on the other hand, the consciousness that under unmerited imputation he would be supported by the pride and sympathy of the body to which he belonged, has doubtless nerved many a man to withstand injustice and wrong.

But not only in regard to the character, but to the interests of the profession, is this unity of feeling and sentiment important. The merchants, as a body, are comparatively less felt, in our political relations, for instance, than any other class of men—not, certainly, because they have less at stake in these matters, or are less capable of wisely determining concerning them—but because they have habituated themselves too much each for himself, to pursue his own business, trusting to those who have more taste or more leisure for political inquiries, to take care of the commonwealth. They have not acted together and as a class. This course which looks very like an abandonment of the sacred trust shared in a republican government by the merchant equally with every other citizen, of watching over the general safety, must, necessarily, tend to throw political power into the hands of those, who feeling they have nothing to expect and nothing to apprehend from mercantile favor or opposition, will be very little concerned to look after mercantile interests.

Politics, as a profession, belong not to the merchant; but attention to political questions in proportion to their importance—scrupulous discharge of the duty of aiding in the selection of fitting candidates—of that of voting—and of mingling with his fellow citizens in primary and public meetings, are obligations of good citizenship which a merchant may not rightfully and cannot safely leave unfulfilled.

This point is the more emphatically dwelt upon, because, without committing the indecorum of trenching in any degree upon party grounds, it may be said, probably with universal consent, that if there were, or for some years past had been, a larger infusion of educated and intelligent merchants among our public men, the general course and measures of the government could hardly have been so much at variance as they now notoriously are, with the interests and feelings of the mercantile classes.

The ethics of commerce, must, of course, enter largely into the estimate which the world forms of the pursuit itself, and of those who embrace it. It is the essence of every liberal calling, that its duties should be fulfilled under a high sense of moral obligation. Wherever the interest and feelings of others are in question, a reference to the brief, yet all-embracing injunction, "do unto others as you would be done by," will be found to cover the whole ground of duty, and to present the all-sufficient rule of conduct. Commerce is a mutual interchange for mutual benefit, which neither requires nor justifies the employment of cunning, that counterfeit of cleverness. Good faith and fair dealing, disdain of little advantages, and the frank rectification of unintentional error, lie at the foundation of mercantile honor, and lead, as certainly, in the long run, both to reputation and success, as the opposite practices induce suspicion, discredit, and eventual disaster.

I hasten to a conclusion. It has been my aim to vindicate commerce from the illiberal and prejudiced estimate to which it is exposed, even at this period of the world, and in parts of this land of equality, by showing, that in *all* time its companions have been liberty, science, civilization, morality, and religion—that its spirit is one of enlarged liberality and benevolence—that its practices have been in consonance with its spirit, and that wherever it extends, and as far as it extends, it is a benefit and a blessing.

If I have at all succeeded in this undertaking, I may hope it will encourage such of my hearers as may be devoted to mercantile pursuits, to press on with ardor in their career, to cherish it as one surpassed in real dignity by no other, as affording abundant opportunities for the display of the highest talent and for the development of the most exalted virtues, and finally, as one, which embracing within its comprehensive range the whole family of man, and pushing its civilizing adventures to the remotest corner of the habitable globe, may proudly take a foremost rank among liberal pursuits, and challenge for itself the title of Universal Benefactor.

Art. II.—EXAMINATION OF THE POLICY OF THE LAWS AGAINST USURY.

[The following lecture, now first published, was one of a course delivered upon mercantile law, ten years ago, to the Mercantile Library Association of Philadelphia. Since that time, the subject has engaged much of the public attention, and many stronger views may have been presented of it, than those here given. It was the intention of the writer to present what seemed to him to be a practical, common sense, examination of the policy of the laws against Usury, suitable to a class generally composed of young men, so far as it could be done in the short space of a single lecture.]

Having sufficiently delineated the characteristic features which distinguish an usurious loan of money from those contracts in which an interest is allowed to be taken beyond the legal rate, and pointed out the penalties which, by the law of England, and by that of Pennsylvania, are inflicted upon an offender, we shall dismiss this part of the subject, which may be said to be the legal consideration or view of it. The political question remains; that is, the wisdom and policy of any such regulations. I cannot promise you to be as decided and explicit in my opinions and conclusions here, as it was easy to be in relation to the law. Whether commercial men have greatly differed or not on this question, I am unable to say, but certainly political economists and legislators have maintained the most opposite doctrines concerning it. It is my intention to present to you the most prominent arguments on both sides, for the zeal and ability of the respective advocates have left little to be added for either.

Those who have contended against any legal regulation of the rate of interest, have, indeed, as we have shown in the last lecture, to oppose themselves to the practice and experience of many ages and various nations. For more than two thousand years, we know, it has been considered in Europe to be a proper subject of legislative enactment, while every other species of property has been left to be used and disposed of according to the will and contracts of its owner, providing only for honesty and good faith in the transaction. Money, only, has been restricted in its profits and increase, and placed under the government of the law.

We acknowledge the weight of this authority, but we must not shut our ears against the voice of reason, or refuse to give a full and fair audience to those who deny the justice and wisdom of this ancient usage. The change in the condition of society, the great and enlarged improvements in commercial knowledge and dealing, may afford ample reasons for a change in this policy. As to the antiquity and universality of the law against Usury, we must remark, that those against witchcraft are quite as ancient, and have been, at least, as universal. "Thou shalt not suffer a witch to live," was the injunction of the Mosaic law. The punishments of these dreaded criminals continued, even in this enlightened country, down to a very late day. It is held by the law of England to be an offence against God and religion, and is punishable with death; and this sentence has been inflicted by great and wise judges. This is the reverence for antiquity, and the adoption of ancient laws, without allowing ourselves to inquire into the evidence of the existence of the crime or the reason of the punishment. Since this offence has been stricken out of the penal code of Pennsylvania, we have not suffered more than before by the practices of witchcraft; on the contrary, witches have disappeared with the power to punish them. It may be that we can dispense with the laws against Usury with as little injury; at least the argument of long usage and ancient authority is much weakened by this as by many other examples.

The disputants, on this question, set out with the sagacity of skilful polemics, each endeavoring to throw the burden of the argument and proof on his adversary. The advocates for the free use of money say, that inasmuch as in relation to all other property, men are permitted to make their own contracts according to their own opinions of their convenience and advantage, to ask and to give what they may think expedient and just for the sale or the hire of any article of property, it is therefore incumbent on those who maintain a different doctrine as to money, to support the exception by clear and satisfactory arguments, or to let money fall under the general rule which is applied to other things of traffic or exchange. The advocates, on the other hand, of the restrictions on Usury, insist, that as money has been an exception to the general rule of property from the remotest time, it falls upon those who question the justice or wisdom of the exception, to make out their case, and to prove it to be impolitic or unjust, before they require the restriction to be removed. All this, however, is but preliminary, and the question should be discussed and decided on a fair, full, and rational consideration of the whole subject, as applicable to the present state of the world. We should not be held, arbitrarily, in the trammels of opinions and systems of former times; great changes have taken place in the business of men; society has altered its relations in many important matters; the rights of persons and property, the interests of trade, are better understood, and conducted on principles widely different from those which formerly prevailed; and these changes have swept away much of the policy and many of the prejudices and superstitions of earlier ages. Still, we should not look carelessly or scornfully at the lessons of experience, because they may be assailed by plausible analogies and ingenious reasoning. We live in an age of inquiry and ratiocination, and in a country where the freest latitude is given to the spirit of examination and improvement. The authority of time goes for little, perhaps too little, and of names for still less. Every man will have his reason addressed, and his judgment convinced, before he yields his assent to any thing. This is all well, if it run not into licentious excesses; into a wrangling, sceptical propensity to question every thing, to unsettle every thing; to demolish or change what has been long received and sanctioned, from the mere love of innovation, or a dangerous indulgence in rash, untried, and undigested theories. We will, then, enter upon our cursory examination, for such it must be, of the question of Usury, with a due respect for the opinions that have been long entertained of it, but without surrendering ourselves submissively to their authority, or refusing to listen to those who have impeached it. We begin with the opposition.

The broad principle taken by *Bentham*, the most distinguished of the opponents of the laws against Usury, is, "That no man of ripe years and of sound mind, acting freely, and with his eyes open, ought to be hindered, *with a view to his advantage*, from making such bargain, in the way of obtaining money, as he thinks fit; nor any body hindered from supplying him upon any terms he thinks proper to accede to." Every word of this postulate has been well considered, and it certainly presents, *prima facie*, an imposing front. It seems, indeed, to be almost a self-evident proposition; and, apart from the right assumed by society to govern men in the use of their property, and to put restraints on their natural rights, it is so. We admit that this right is wise and beneficial, when exercised wisely; and if the welfare and safety of the community require that a contract for money, or any other contract, should be put under certain restrictions, the right of society to impose them is undeniable.

I hold it to be a sound principle in all governments, whether political or domestic, that *too much law-making*, too much governing, should be avoided, and that the great object of every general regulation should be some important, general benefit. To impose fetters on individuals, unless they be really insane or incompetent to act with reason, to prevent them from injuring themselves, is always of doubtful policy, and a doubtful right. The task of the legislator would be interminable, and as multifarious as the follies of mankind, if he were to undertake this extensive protection of their interests, and to preserve every one from rash and ruinous bargains; from absurd speculations and injudicious sales and purchases, which are a much more common and seductive means of wasting an estate than borrowing money at too high a rate. On this system of government which descends to the personal guardianship of every individual, every species of bad management by which he may injure himself should be interdicted; every wild project and improvident expenditure would come under legislative superintendence. But nothing of this sort is pretended or could be accomplished. A man may go to ruin in every way he pleases, except by borrowing money. If he wants a thousand dollars under a pressing necessity, or for some beneficial object, he is not permitted to give more for it, whatever may be its real value, than it was thought to be worth by a legislative calculation made a century ago; but he may make any sacrifice he pleases of his property by way of sale, to obtain the money he wants. He may pay, without limit, any amount, at his pleasure, for horses, for wine, for the indulgence of the most wanton waste and extravagance. There is no prodigality of this description, however vicious, which the law will restrain; no ruin it will avert; no undue price or imposition it will invalidate, short of actual fraud, because it is the contract of parties competent to make their own bargains. In such matters, with the exception of palpable fraud, inexperience, necessity, simplicity, a profuse and reckless spirit, are trusted to deal on what terms they may, and the law holds them to their engagements; but an agreement to pay the merest trifle beyond the legal estimate for the use of money, is utterly void, and followed by severe penalties.

The reason given for this interference, that it prevents a prodigal from wasting his estate, seems to be altogether insufficient for this object, unless it went much further, and put its hand upon the property in his possession, so that he may not sacrifice it by much greater losses than he would incur by borrowing money. Why should he not indulge a spirit of extravagance in hireing money at an exorbitant price, while he may not only encumber, but entirely part with his property, at his pleasure? or, how is he preserved from ruin by forbidding the first, while the latter is free from all restraint? Is it not more reasonable to say, that by allowing him to borrow on such terms as the market will afford, and having good property to offer as a security for the loan, he could obtain the money required at a far less loss than will fall upon him, by a forced and untimely sale of his real or personal estate; for he must and will have the money in the one way or the other? If the money market were open and free, the borrower, with a fair security, would seldom fail to get it at a fair price, or with no considerable excess; but if this is denied, and money should be, as it often is, of more value than that fixed by the law, the borrower is compelled to obtain it either by an improvident sale of his property, in which advantage will be taken of his necessity, or he must borrow it at an illegal rate of interest, paying the lender not only for the use and value of the money, but for the hazard he is exposed to in thus lending it. This is the result of the legislative protection of a man against himself; which, like most cases of intermeddling, defeats its own purposes. You will not allow him to pay seven per cent. for the money he wants, and which he might have restored without injury to his estate, and you force him to part irrevocably with that estate at a loss, perhaps, of fifty per cent. In such cases this assumed guardianship of a man's interests and contracts may seriously injure a prudent and judicious borrower, while in the case of a determined prodigal and spendthrift, it will probably hasten, but can never prevent his ultimate ruin. If the effect be doubtful, the prohibition should be removed, because every restraint upon the use a man may make of his own property, ought to be justified by a clear public benefit.

But the laws against Usury are said to be intended not only to protect the prodigal and weak from extortion and ruin, but also to prevent imposition upon those whose necessities may compel them to borrow. This is, assuredly, legislating on very uncertain and unsatisfactory ground. How is it possible to measure the necessity of every case, or to make a rule which will suit all? A man may have need of money to carry on a business he is engaged in, but must abandon it without this aid, which will return him twelve or fourteen per cent. for every dollar he borrows, and who can therefore well afford to pay seven or eight per cent. for the capital thus obtained. But the law ties his hands; overrules his judgment; assumes to know better than he does what he can afford to pay, and what his industry and skill can make from the loan. You must borrow at the rate that has been decided by strangers to you and your business to be reasonable and tolerable, or you must abandon your whole design. The individual is forbidden to prosecute his own business in his own way, according to his own knowledge and judgment, perhaps with the loss of all he has, and the community is deprived of the advantage of his labor and skill.

The legal rate of interest is that for which it will be lent on a sufficient security, and by suffering no other loans to be made, they are confined to the rich, or to those who have security to give. The honest and industrious man, who has nothing to offer but his personal responsibility for the money he wants, cannot obtain it, because he is not allowed to pay a higher premium than the borrower who gives pledges for its repayment; when, perhaps, by a reasonable addition, which he can afford to give, and the lender would take, he might get an important relief or assistance in his business. What is there unjust or impolitic in permitting such bargains and arrangements to be made? The borrower judges of the price he can pay for the use he will make of the money, and the lender judges of the price he will take, combining the market value of the money with the risk of its ultimate loss from the inability of the borrower to repay it. This risk is fully recognized by the law as a proper ingredient in the calculation of the rate of interest, in other cases, as bottomry and respondentia, and why not in this? If the parties are prudent, they are the best judges of their mutual interests; and may be trusted with their own bargains. If they are rash and prodigal, they have so many broad roads to ruin open to them, more tempting than this, that it is idle to bar this narrow path. A free market for money would produce a fair and regulated competition for it, as it does in relation to every other article of trade and subject of contract, which, generally, would keep its price at a just rate according to the circumstances of the times and of each particular case. Men would be able to borrow at a rate measured by the use they could make of the money; and they would lend on a calculation of its true value, and the hazard of the loan; and this is as it should be. If it is urged that although the prudent and sagacious may be trusted to make these calculations and bargains for themselves, yet we must protect the weak and ignorant from the rapacity of money lenders, the answer, already suggested, occurs, that the remedy is so far short of the evil as to have no practical efficacy, and that to have any real utility, it should be extended to all other dealings in which simple men may be overreached; and this is admitted to be impossible. In truth, of the value of money there is a much more general and easy understanding than of many other subjects of traffic and contract, as to which no attempt ever has been made, or would be practicable, to preserve the simple or improvident from imposition and mistake. There are many that will occur to your recollection, in which the opportunities to take advantage of inexperience, credulity or necessity are more frequent, more easy and more extravagant than happen in the loan of money; and yet such contracts are left to the will and discretion of the parties, without reserve or restriction, or any safeguard beyond the prohibitions of manifest fraud, and the employment of dishonest tricks and contrivances.

It is no uncommon occurrence that a man really possessed of a good estate and good discretion, may, nevertheless, want, on some emergency, a sum of money, at a time when its true value is higher than the rate allowed by law. But the money must be had; and he is reduced to the necessity of borrowing it in violation of the law, and, of course, of paying the lender a premium to cover all dangers and contingencies, or of selling property, in a depressed and depreciated state, at an immense sacrifice. He will hardly thank the law for this protection of his interests, which forces him to submit to a loss of twenty or more per cent. on a sale, rather than allow him to give seven per cent. on a loan. The imposition upon him will be increased, because when money is worth more than the legal interest, it will be withdrawn from the market and put to more profitable uses, and the needy will, indeed, be put at the mercy of rapacious and unprincipled usurers.

So far as these views are correct, the laws against Usury would seem to fail in the good expected from them; to afford no effectual protection to the prodigal and the weak, while they impose upon the industrious and enterprising inconvenient restraints, which often shackle their best efforts for advancement, and deprive them of the means of employing their labor and skill for the benefit of themselves and the community. Such are the conclusions to which we are brought by our reasoning on the subject. Whether experience leads us to a different result must be referred to the evidence by which the allegation is supported.

The writer we have mentioned urges, with great force, as an objection to the "anti-usurious laws," that they have a tendency to demoralize a people, by holding out rewards to treachery and ingratitude, and encouraging mercenary informers and vindictive prosecutors. In England the debt and all the securities held for it, are forfeited by Usury, and heavy penalties may, moreover, be recovered from the offender. The temptation is certainly strong for a borrower, perhaps too strong for any but a firm and upright mind, irritated by the belief that some advantage has been taken of him, after he has received the benefit of a loan solicited by himself, to turn upon the lender with the weapons of the law, and refuse to repay even the amount actually paid to him. He may go farther and prosecute for the penalties of the law, when he was himself a partaker and first mover in the commission of the offence. There is a rank dishonesty and treachery in such a proceeding which no law should countenance or authorize. It is to feed the worst passions of our nature, *avarice*, *ingratitude*, *revenge*, and is a thousand times more pernicious to the individual, as well as to society, than Usury can be in its worst abuses. You are very careful to prevent men from becoming prodigals and wasting their estates, but you will teach and invite them to indulge depravities of the most corruptive and degrading character. The laws of Pennsylvania, as I have informed you, avoid the worst part of this evil, for the contract is annulled only so far as it transgresses the limits of the law, but stands good for the repayment of the sum lent with lawful interest. Yet the borrower may be the informer and prosecutor for the penalties, and may thus reap an iniquitous advantage from a transaction to which he was a willing, perhaps a benefitted, party.

There must be reasons, plausible if not satisfactory, why men, who have left all other property free, have considered, and consider the lending of money as a contract of a peculiar character, and properly subjected to peculiar restraints. I cannot but believe that this opinion or impression has arisen, in the greater part, from early prejudices; from traditional feelings, and our being accustomed from infancy to hear Usurers stigmatized as an oppressive, cruel, and unprincipled class of men. These opinions have come to us from a remote antiquity, and still abide with us as admitted truths, rather than as the conclusion of our judgment from a full and fair examination of the evidence on which they rest, or a due consideration of the change of circumstances to which they are applied. Whether in former days the men who accumulated in their hands the coin of the country for the purposes of traffic, were of a degraded rank in society, and of griping dispositions; whether they were treated by the great and rich with insult and contumely, and returned their hostility and contempt by ruinous exactions upon the necessities produced by extravagance; forfeiting and selling without forbearance or remorse, pledges of land, jewels, and family plate, for the repayment of loans encumbered with enormous premiums; whether such exactions were not extended to the necessitous of every description, and thus brought the money lender under a general odium and disrepute, which still adheres to him, we have now neither time nor opportunity to inquire. All this might have been done when the land was in the possession of, comparatively, a few great and noble families, and the money, in the same manner, was gathered by other hands, which parted with it on their own terms and not with great hazard of loss. But in the present general diffusion of property of all kinds, and particularly of money, no such extortions could be practised to a dangerous extent. Necessity does not press so heavily on the one class as formerly, nor are the means of affording relief so exclusively in the power of a few. Money is now wanted by men of business for the uses of their business, with an expectation and prospect of a speedy repayment, and not by great barons to carry on their wars with no hope of a return but from the pledges given for it, and much danger of an entire loss.

Another reason, however, for the resentment which is entertained against money lenders, is more obvious and certain ; but not more just. We have frequently before our eyes, the distress of an unfortunate or improvident borrower, when payment is called for; and we, as if by instinct, indulge a sympathy with him, and by the effect of the same feeling, entertain an indignation, without much reflection, for it costs nothing, against the creditor who afflicts him. We do not stop to inquire of the benefit which the debtor received, under perhaps as great or a greater pressure, by the use of the money he is now required to return according to his contract, on the faith of which he obtained the relief. We do not ask what evils were averted from him by the loan, nor what chance it afforded him to escape from ruin, although not successful, perhaps by his own fault and mismanagement. We see only his present suffering and the immediate cause of it, and too readily join in a clamor of oppression and cruelty, when there is no other ground for it than that a creditor seeks to obtain, by lawful means, what is lawfully his own. There is in every community, and I think particularly in ours, a strange and mawkish sensibility for every rogue who comes under the lash of the law, however atrocious his crimes ; and for every debtor, however fraudulent, who is pressed for the performance of his promises. The ingenuity of the present time is exerted to prevent murderers and robbers from being made too uncomfortable in their confinement ; and to encourage debtors in a total and reckless disregard of their most sacred duties and engagements. A creditor (I do not speak of an Usurer) who is pursuing only his just rights by legal means; who endeavors to enforce the payment of a just debt by the ordinary process of the law, is covered with reproaches by men who, while they insist that he should give up the whole of his demand, would not contribute one hundreth part of it to relieve the debtor from his distress. But pathetic censures and sentimental pity are the cheapest coins of humanity; they rather enrich than impoverish the donor, and are therefore profusely bestowed, with but little regard to the justice of the claim.

The views we have thus far presented of our subject are not favorable to the laws against Usury. We will, in the same brief manner, exhibit the leading arguments by which they are defended. The first step to be taken by the advocates of this system, is to show some good reason why legislators should interfere to prevent one from injuring himself in this way, when they leave unobstructed so many means by which he may more readily ruin himself. This is a stumbling block not easily surmounted. A writer who has undertaken the task has failed in his attempt. He puts it on the ground that an usurious borrower does not exercise his sound and deliberate judgment in the act; that his reason is seduced or driven from her seat by motives and impulses he cannot resist, and therefore the law should protect him against his own weakness which, otherwise, would ruin him. That he has not a free choice of action, but his will is coerced by extraneous causes, and he should be treated with indulgence if his necessities have forced him into contracts which oppress him. The fallacy of this argument is bare and obvious. The foundation or premises are not true in point of fact; for the borrower does exercise, and often keenly too, his knowledge and deliberate reason in making the contract. He may be, it is true, under some pressure which requires this mode of relief, but there is no such delusion or compulsion as can safely or justly be made the ground of a legal absolution from his promise, unless the same indulgence is extended to every improvident bargain he may be induced to make by some want or weakness. Such a principle would unsettle half the business of the world. Again, the reason, so far from having a peculiar strength in the case of a loan of money, applies with greater force to sales of land or goods, under the same degree of pressure and necessity, but in regard to which no dispensation is granted on the pretence that the vender had no choice of action, but was compelled to the sale by "extraneous causes;" that "his reason was seduced or driven by impulses he could not resist." If the "pity of human infirmity" is to be called in to invalidate contracts, wherever they are hard or unwise, on the assumption that they were effected by a compulsion which "took away the freedom of choice," or by a delusion which betrayed it, we may anticipate the confusion and frauds that will ensue. Besides, if this necessity, or impulse, or delusion is to be the guide by which these cases are to be disposed of, we must have a different rule of decision, to maintain, or relax, or annul the terms of the contract, according to the degree of the necessity, the force of the impulse, or the extent of the delusion, and the strength or weakness of the party to resist them in each particular case. The sweeping regulation by which every contract for more than a certain rate of interest is pronounced to be obtained by an irrisistible compulsion, or a misguiding delusion, will probably be misapplied in nine cases out of ten, protecting and justifying frauds much oftener than it prevents them. And the frauds thus protected are actual, moral, corrupting frauds against good conscience and the eternal principles of right, and not merely such as consist in the violation of the enactments of a law of society, which may change to-morrow. When the law takes a broad and visible line, and separates valid from invalid bargains, on the proof of fraud or direct compulsive oppression; of dishonest contrivance and trick; of an unjust advantage made of the relative situation of the parties, as a trustee, guardian and ward, &c., we have a rule which is intelligible, sufficiently certain and safe; but when we would raise a law for the trial of contracts upon pity; upon human infirmity; upon charity; upon delusion without the practice of any arts to deceive, and coercion undefined and unproved, but all taken for granted and assumed because the bargains may be hard and imprudent, we must see that the dealings between man and man will be all afloat, and the business of commerce thrown into confusion. The law does enough when it protects us from absolute fraud and artful contrivances too well concealed for common prudence to detect; and it is not only vain, but injurious to the great and general interests of society, to attempt more than this, and to undertake to save a man from his folly, and the necessities which his folly may have brought upon him. It is true, that laws are made, and wisely made, on the subject of various contracts, to conform them to the fundamental interests of the community, nor is the right to enact those against Usury denied; but their policy and justice are resolutely disputed.

An ingenious writer of our own country has entered the field as an avowed antagonist to *Bentham*, and, in the prosecution of his argument, supposes he has found an analagous case to the laws against Usury, in the power assumed by the legislature to regulate the tolls of turnpike roads and bridges. It is evident that this argument goes to the right, and not to the policy of these laws. There is, however, no similarity between them. When a turnpike road is constructed, it must necessarily pass over land already appropriated to public use, or over the property of individuals, taken with or without the consent of the owners. For either of these purposes, the proprietors of the turnpike must have the sanction of legislative authority, and must take it on such terms as they can get it; and the legislature, of course, will take care that the public are not imposed upon by extravagant tolls. Public and private property have been surrendered for the general convenience and interests, and these are not to be abandoned to the cupidity or injustice of those to whom they have been surrendered. But if an individual were to make a road, at his own expense, over his own land, asking nothing from the public, would any legislature undertake to prescribe upon what terms or at what price, he should suffer others to use his road? I apprehend not, but that he and those who might desire to use his property, would be left to make their own bargain. This is more like the regulation of loans of money. So of a bridge. If it is to be erected over a stream which is a common highway, or upon public property on either side, it cannot be done but by the same public authority, and the same terms may be exacted from the grantee; but if the bridge were thrown over a stream within a man's private estate, which belonged exclusively to himself, in which the public had no right or interest, may he not charge what he pleases for passing over it. Such is a man's money, which he claims to use with the same freedom of will, unless constrained by some strong, clear, and paramount public policy. The question, therefore, which this writer has put to us, with much confidence and triumph — "If the legislature have a right to regulate the toll of a bridge, why have they not the same right to regulate the interest of money?" presents two cases wholly different in their principle, and I repeat that ours is not a question of legislative right, but of sound policy.

We shall notice but one other analogy seized upon by this writer to maintain his argument — I refer to the *assize of bread.* It will be clearly shown that he can derive no aid from that case; and even that is one, the propriety of which has been more doubted, and the practice of which is much more rare than the regulation of the interest of money. In the United States, public opinion is decidedly against fixing the price of bread, if we may judge from the very few places, if at this time there are any, in which it is attempted. In Philadelphia the subject was formerly frequently moved, and the experiment sometimes made, but after repeated discussions and failures, it has been abandoned for many years. Where this assize is made, it is strictly confined to the article of *bread*, as being a necessary of life not to be dispensed with by rich or poor, and in the price of which extortion might be practised in particular emergencies; but it is so closely limited to bread as not to be extended to wheat or flour, the materials of which the bread is made. They are left to find their own price in the market. Lastly, the assize is made at the short intervals of a few days, so as to conform as near as possible to the real market value of the article, but who ever heard of the price of bread, or any thing else but money, being regulated by a law enacted a hundred years ago.

There is scarcely any thing in which the wisdom of the present age has been more manifested, or the prejudices and errors of past times more corrected, than in the freedom which has been given to the property of individuals, to their faculties, industry and skill, to be used as their owners may think most profitable. The superior advantages enjoyed by the American citizen in this respect; the enlarged power and right he possesses to earn what he can honestly, and spend and use it as he pleases, within the bounds of moral propriety, are among the most efficient causes of the unexampled prosperity of our country. But yesterday an infant, and now a Hercules, breaking the shackles which for ages have crippled the energies of man, and extirpating errors which have debased and corrupted him. Nor has this happy change been confined to our land. Our example has taught and encouraged the people and the governments of the old world to shake off ancient prejudices; to see and feel that habits and maxims which were received with reverence some centuries ago, are wholly unsuitable to the present improvement of human intelligence, and the present condition of human concerns. The chords which for so many years bound up the genius of man and his enterprise in systems of monopoly and politic restrictions, have been broken or relaxed by sounder doctrines and a more enlightened experience, and it is discovered that the whole community will thrive best by the freest exertions of its various parts, regulated only by a wise attention to the "general welfare," to great national interests, which may require a particular care and protection for their preservation from powerful and hostile rivals.

ART. III. — IMPLIED AND EXPRESSED WARRANTIES IN MARINE POLICIES.

THE duties which the law imposes upon the insured, and the rules of conduct which he is bound to pursue, for the purpose of enabling him to secure unimpaired the pecuniary benefits which a policy of insurance is intended to confer, are considerations of great importance to the merchant, and presents subjects in which he is deeply interested.

If he is ignorant of the legal obligations which rest upon him, and is unacquainted with the responsibilities which devolve upon the assured, he is often liable to violate some technical or substantial rule, which constitutes an important feature in the conditions of a policy of insurance; and in this manner, to lose the right of ultimately securing that indemnity which he would otherwise derive from the instrument.

The implied conditions which are contained in every marine policy, and which are substantially as binding as those formally and expressly inserted, should be thoroughly understood by the mercantile portion of the community, and their construction and effects correctly appreciated.

To the merchant whose thousands are upon the ocean, exposed to the risks and uncertainties always attendant upon maritime adventure, these questions are of deep interest, involving as they often do his whole fortune. A slight mistake in describing the condition or situation of the property insured, an innocent concealment of some fact which the law requires the assured to disclose, or a trifling deviation from the rigid construction of the instrument, often vitiate and destroy the policy; blasting every prospect of remuneration for heavy losses which the insured has sustained, and which he is thus for ever prevented from recovering.

In considering some of the most important rules which the law prescribes to the insured, and which he is bound to follow, in order to create and perpetuate his rights under the policy, the implied and expressed conditions which it contains will be examined, and their extent and effect explained with as much brevity as an attempt at clearness will permit.

When a policy of insurance is effected upon a ship, the assured impliedly warrants it to be seaworthy, and in every respect fit for the voyage upon which it is intended to proceed. For the purpose of complying with this implied condition, many precautionary requisites are absolutely necessary, and various minute regulations must be observed. Every thing necessary for the prosecution and completion of her voyage must be obtained; and whatever tends, either directly or remotely to the safety of the ship, must be procured and furnished.

The vessel must be staunch and sound, without any apparent or latent defects; and a sufficient quantity of sails, tackle, anchors, and every thing which is in the slightest degree necessary for the purpose of enabling her to make the contemplated voyage, is required, in order to complete her seaworthiness; and unless the ship is in a condition to carry a full cargo, this implied warranty is not complied with.

The owner of the ship is bound to procure a competent and trustworthy captain and crew, and this is highly important to be observed and complied with. It is a universal rule of law, that a principal is bound by the act, and accountable for the misconduct of his agent; and unless the assured mans the vessel in a proper manner, and performs every thing on his part which the principles of justice require, and which is calculated to insure the safety of the vessel, the insurer will not be held liable under the policy; for, as the captain and crew are considered the agents of the owner, whatever is done by them, is looked upon as his own act; and if he intrusts the ship to persons, incompetent to manage her, she is unseaworthy. The crew must be shipped for the entire voyage for which the vessel is insured; and where they are hired to proceed to a port of destination, different from that described in the policy, and off from the course upon which the ship is bound, the insured in case of loss, cannot recover upon the instrument. To constitute seaworthiness, it is necessary to take a pilot on board, at the usual times and places; and if one cannot be easily procured, the captain should not incur any risks in proceeding without one, as in case of a loss on this account, the insurers will be discharged. But if a pilot cannot be obtained, and the ship is in a state of danger and exposure, the captain would undoubtedly be justified in proceeding without one. If the vessel, at the time of effecting the policy, is in want of repairs, and the risk assumed by the underwriters, includes the time while it remains in port, the necessary reparation may be bestowed, and in case of loss, the insurers will be held liable to the same extent as they would in case the seaworthiness of the vessel had existed at the time the risk commenced. But this must be understood with some qualification; for if the ship be a mere wreck, the policy never attaches. Where a vessel is insured at, and from one port to another, and the repairs and amendments necessary to be made, for the purpose of rendering her seaworthy, and in a situation to brave the perils of the winds and waves cannot be effected at the port from which she is to sail, the vessel may proceed to the nearest place where such repairs can be performed, without impairing the rights of the insured under the policy; and the law will sanction this apparent deviation from the strict letter of the instrument, for the purpose of preserving the just and equitable rights of the assured.

The warranty of seaworthiness relates and extends to the commencement of the risk, but while the vessel remains *at* a place, a state of repair and equipment may be sufficient, which would be wholly defective after the commencement of the voyage; for, as has been remarked, while a ship is in port she may stand in need of repairs, which may be bestowed, and the insurers will be liable, provided the policy covered the period during which the reparation was proceeding. If the policy is effected upon a ship in the middle of a long voyage, it cannot be presumed that she is so strictly seaworthy as at the time of sailing, and the warranty we are considering is sufficiently complied with, if the vessel is, under all these circumstances, reasonably staunch and sound, and has suffered no extraordinary injury. And in determining the question of seaworthiness, recourse must be had to the usage of the place where the policy is effected; for it varies in different places; and in ascertaining the extent and effect of this implied condition in the instrument, the intention of the parties must be sought after, who are presumed to have had in contemplation the universal usage which prevailed where the contract was made, at the time it was executed.

When a ship is insured, her seaworthiness is presumed; and every requisite necessary to constitute her in all respects competent to proceed with safety upon the intended voyage, is supposed to exist. The necessity, therefore, of proving her unseaworthy, rests upon the insurer; who must, as a general rule, show clearly and conclusively a breach of this implied condition of the instrument. There are some instances, however, in which a rule more favorable to the insurer prevails, and in which he would not be held to so much strictness, in proving her unfitness for the contemplated voyage; for, if a vessel is found in a bad condition, so short a period after sailing, that she could not have been injured since that time, and nothing has been encountered by which she could have been in any manner disabled, her unseaworthiness will be presumed to have existed at the time of effecting the policy. And in the case of a latent defect, materially enhancing the risk assumed under the instrument, and constituting unseaworthiness, the insurer will not be liable, if from the circumstances of the case, it is made to appear with reasonable certainty, that such defect existed at the time of executing the policy.

If an insurance is effected upon goods or freight, the ship in which the goods are transported, or by which the freight is to be made, is governed by the same rules, in respect to seaworthiness, as those we have already mentioned; and at every port of loading, the vessel must be in a condition, every way competent, to prosecute her voyage. Having examined the leading rules which govern in determining the unseaworthiness of the ship, and considered the extent and effect of this implied warranty which is contained in a policy of marine insurance, the next important warranty resulting from implication, and which the insured by obtaining the policy, undertakes to perform, is, that the ship shall be documented and navigated, and the adventure conducted, in conformity with the laws of the country to which the vessel belongs, or of which the assured is a subject; and in accordance with the treaties subsisting between that and other countries, and the laws of nations. It is a rule of law, that an illegal trade cannot be insured; and although the adventure may be legal, if conducted in compliance with the rules of trade, yet if any of its provisions are violated, or the necessary papers to authorize its prosecution are not obtained, in either case, it will be rendered unlawful, and the insurance will be defeated. It is therefore a matter of deep importance to the assured, not only that the trade in which his vessel is engaged should be lawful, and the adventure upon which it proceeds, of such a nature as to place it beyond the suspicion of illegality, but that the manner of conducting such trade and adventure, should conform in all respects, as well in substance as in form, to the rules and regulations which the law prescribes. The vessel insured must have documents and papers in compliance with the laws of her own country, and with the terms of treaties with foreign states; and if she is captured, or the risk of the insurer is enhanced, on account of the neglect of the insured in procuring them, the insurer will be discharged, for the principle is well established, that the insurer of a vessel cannot be made liable for any loss which may arise from the want of documents required by the laws, and treaties of a country of which it bears the national character; or, which may result from the fault of the insured in not obtaining and securing the means of protection usually accompanying ships of the same national character.

If false papers are procured by the owners of a ship, and she is captured in consequence, and no representation is made of an intention to take such papers, the insurance will be void, on the ground that carrying fabricated documents is a violation of the law of nations, and is an illegal act, for which the insurer is not responsible. Although the owner of a vessel insured is bound to perform every thing on his part for the purpose of preventing loss, and must furnish the ship with all the documents and papers required by law, yet unless the omission on the part of the insured to comply with these requisitions changes or enhances the risk, the insurer will still be liable, and the want of the documents and papers we have mentioned, at the commencement of the voyage, or the want of them at any other time, for any purpose, except in the event of capture, and when the production of them becomes necessary, is immaterial.

In the case of an insurance effected upon goods, the same rules in respect to the necessity of having the ship properly documented, do not apply, with so much strictness, as where the vessel itself is insured; for as the owner of the goods cannot know whether the necessary papers are furnished, it would be extremely inequitable and severe to refuse him all right to indemnity under the policy, on account of the default or negligence of the owner of the vessel.

Whenever goods are insured by a citizen of a neutral state, the assured impliedly warrants that they are not of belligerent character, and that they shall be preserved, and used in conformity with such implied warranty; but if they are shipped on board a vessel, containing the property of a belligerent, by reason of which a detention ensues, and loss is in this manner occasioned, the insurer will be liable, and cannot avail himself of any defence, upon the ground that a part of the shipment is illegal. Having endeavored to point out and examine some of the most material implied warranties which result from a policy of marine insurance, and which the assured is bound to perform, an attempt will next be made to consider and illustrate the nature, construction, and effect of the express warranties and conditions which are contained in the instrument.

An express warranty is an agreement written, or printed, in the policy, by which the assured stipulates, that certain statements relating to, or concerning the risk, are, or shall be, true; or that particular acts in relation to the same subject, have been, or shall be, performed. It is not requisite that the fact or act warranted, should be *material* to the risk insured against, for if it is an express condition of the policy, the necessity of its performance is imperative upon the assured; and in this respect it is distinguished from a representation which is not embodied in the instrument. It is a leading principle in the law of insurance, that if a warranty is expressed in the policy, it is a vital part of the contract that the subject matter shall be in every respect as it is represented.

The materiality or immateriality signifies nothing; and the only question to be determined is, whether a strict and literal compliance with its terms has been observed. A warranty of this nature is often created by an express statement in the policy, that the assured *warrants* such a fact. But a formal expression of this kind is not absolutely necessary, as any direct, or even incidental, allegation of a fact, relating to the risk, is sufficient to constitute a warranty. If insurance is effected upon the American ship Eliza, or the British brig Harriet, or upon goods on board of a vessel so described, it is a warranty that she is American, or British, in conformity with such description; and is equivalent to a formal provision inserted in the policy, that the assured warrants the vessel to be of a particular national character. And where an insurance is effected upon goods for account of a certain person, whose name is mentioned in the policy, it is tantamount to a representatation that such person is the owner, and that the insurance is for his benefit; and is a warranty that the national character of the goods is to be determined by the country where the individual for whom the policy is procured resides. But for the purpose of ascertaining whether an incidental statement amounts to a warranty, it sometimes becomes necessary to examine, not only the words themselves, which constitute such statement, and the manner and connexion in which they are introduced into the instrument, but also the whole policy, in order to arrive at the meaning and intention of the parties; and although the materiality of the fact stated is not requisite to constitute a warranty, yet there can be no good reason for considering the allegation of a fact to be so, if it evidently cannot have any relation to, or bearing upon, the risk; and can neither change, or in any manner alter, the liability of the insurer. But a fact which is expressed in the policy will be presumed to have relation to the risk, unless the contrary unquestionably appears. The distinction which is here mentioned, can only apply, however, to facts incidentally mentioned in the policy; for, if the formal expression of a warranty is used, no question of this kind can be made, and every statement of a fact in the instrument must be in all respects true.

An express warranty or condition must be *strictly*, and it is even said *literally*, performed; and the intention of the parties, except as to the meaning of the words used, cannot be inquired into. The assured has voluntarily chosen to rest every claim which he derives by virtue of the policy, upon a condition contained in the instrument; and whether the fact or engagement which is the subject of the warranty, be material to the risk or not, still he must bring himself strictly within that condition.

A non-compliance with a warranty, although it occasions no injury, and does not change or enhance the risk, discharges the underwriters; and where the existence of a defect is but temporary, and is speedily remedied by the assured, and no loss ensues, until subsequent to the time when every condition in the instrument is strictly performed, the rights of the assured under the policy are gone, and the insurer is discharged from all liability. Although it is necessary that a warranty should be strictly complied with, and its terms literally observed, yet this rigid construction ought to operate in favor of, as well as against, the insured, whenever he can bring himself within its provisions; and if in performing a condition inserted in the policy, he does more than it requires, and this lessens the risk insured against, he will be entitled to claim every indemnity which the instrument was intended to guarantee. If a law is enacted subsequent to the time of obtaining the policy, by which a compliance with the terms of any warranty it may contain is declared illegal, the performance of its conditions will be dispensed with, and the insurer will be liable for any losses which may be sustained; but if the performance of the contract is unlawful at the time it is entered into, the policy will be void, and the assured can derive no benefit from its provisions.

If an express warranty is not to be performed until after the vessel has sailed, as in the case of a ship which is to be supplied with an additional anchor at an intermediate port in the course of her voyage, and this condition is not complied with, there can be no reason for construing the policy with such strictness, as to deny the assured an indemnity under the instrument, for a loss sustained previous to the time when such warranty could be performed, and before a non-compliance could in any manner change or alter the risks insured against, or in any way affect the liability of the insurer; and the more just and liberal mode of construction would seem to require, that for a loss happening antecedent to the time, when the warranty is to be performed, the underwriter should be held liable, and it has been judicially determined, that a loss occurring before a forfeiture of the implied warranty of seaworthiness, might be recovered, notwithstanding such forfeiture; which goes far in establishing the rule of construction, which we have supposed the principles of justice to demand, in the case of an express warranty.

When a policy contains a warranty that the vessel sailed, or will sail, on or before a certain day, it becomes important to ascertain what constitutes a sailing, according to the meaning of the instrument; and also when such warranty must be strictly performed, and what circumstances will justify a departure from the letter of its provisions, without impairing the rights of the assured. In contemplation of law, a vessel has sailed, the moment she is unmoored, and has got under weigh, in complete preparation for her intended voyage, with the purpose of immediately proceeding to sea; and in order to satisfy this condition of the agreement, the vessel, at the time of sailing, must be, in the contemplation of the captain, at absolute and entire liberty to proceed to her port of delivery. Whenever the time of sailing is material, and it becomes necessary to determine the effect which ought to be given to this condition of the instrument, it is often important to ascertain the intentions of the captain; and whether he considered at the time of leaving the port of departure, that any serious obstacle existed, calculated to defeat the prosecution of the intended voyage; for if, at the time of sailing, he knows of an impediment to his proceeding, which he feels confident will be seasonably removed, but is subsequently disappointed, and prevented by such impediments from proceeding on the voyage at the time warranted, still this is a sailing within the time, and a compliance with the warranty.

As to what shall not be considered *a sailing* within the meaning of this condition, in a case where a ship insured at and from Jamaica, warranted to sail after the twelfth of January, before which day the vessel being completely loaded, sailed from Port Maria, a hazardous station for ships in that Island, for Port Antonio, the accustomed rendezvous for convoy, for which it was proposed there to wait, and was lost on this passage; it was held that the departure from Port Maria was not a sailing within the meaning of the warranty, and that the assured was entitled to recover under the policy.

This decision undoubtedly proceeded upon the principle, that as the vessel was insured at Jamaica, it was the duty of the insured, and a material part of his contract, to perform every act necessary to preserve the ship in safety previous to the day she was warranted to sail, and that the captain in leaving a dangerous port for one more safe, diminished, instead of enhancing the risk of the insurer.

Another express warranty which the assured sometimes enters into, is, that the ship or goods are neutral, or neutral property, being an engagement that it is owned by persons resident in a country, at peace when the risk begins, and who have the commercial character and rights of subjects of such country; and that it shall be accompanied with such documents, and so managed, and conducted by the assured and his agents as to be legally entitled, so far as depends on them, to all the protection, privileges, and security of property belonging to the subjects of such country. And if property is warranted American, or of any particular national character, it is an agreement that all the necessary papers shall be furnished, and every thing done on the part of the assured, for the purpose of securing all the advantages and commercial privileges to which the property of citizens of such nation is entitled.

A statement that the property is neutral, whether incidentally or directly, whether as a part of the description, or in the form of warranting, will equally constitute a warranty, and the insertion of a fact necessarily implying the national character of the property will be construed, in the same manner, and to the same effect. In order fully to comply with this condition of the policy, the property must not only be neutral, at the time of the commencement of the risk, but must continue to be so, as far as the voluntary act of the owner, or assured, may affect its national character, and where a part of the property insured is assigned to a belligerent, during the continuance of the risk, the policy will be avoided.

The warranty is, that the property is neutral at the time the insurance is effected, and shall remain so, without being in any manner changed or altered by the acts of the assured, or his agents; but if he becomes a belligerent, or the property assumes a belligerent character, by an act of his government, or of any other government, after the risk commences, it is not a breach of warranty, for this is one of the risks taken by the insurer.

A statement in the policy that the property is neutral, can be supported only by showing that its origin, and the manner in which it has been managed and conducted, are sufficiently characterized by neutrality, to be so considered by the courts of the country in which the contract is made.

And where a neutral house, engaged in mercantile business, possesses an interest in a foreign establishment, situated in a belligerent country, such interest assumes the national character of the country where it remains.

Under this warranty, the ship or goods must not only be owned by neutrals, and not be of a belligerent character in themselves, but they must also be accompanied by all the documents and papers necessary to show that they can legally claim the protection afforded to neutral property. For the purpose of ascertaining the kind of proof which is required to indicate the national character of the property insured, we must refer to the laws and treaties of the country to which the ship and the owner of the property belong, and to the laws of nations.

The flag is the most obvious badge by which the national character of the ship is indicated, and by the laws of nations is liable to be considered as evidence of the country to which she belongs. A vessel warranted neutral must, therefore, bear no other flag than that of a nation at peace when the risk commences; and one warranted of a particular national character, must hoist none except that of the country to which the warranty relates.

Every document which is necessary to show that the vessel sails under the protection of the government of the state to which the warranty refers, must also be furnished, and the usual papers to prove to what port and to whom the ship belongs, must, in general, be procured; and the assured must not neglect the performance of any act which the law requires to be done on his part, for the purpose of securing to the ship all the rights and privileges conferred by the municipal regulations and treaties of the state, whose national character it bears. The country to which the goods shipped belong, is determined as a general rule, by the papers relating to their origin and destination; and if goods warranted neutral are accompanied by simulated papers, giving them the appearance of being owned by belligerents, for the purpose of violating the municipal regulations of a belligerent state, although they are in reality the property of neutrals, yet the goods are liable to be considered by the other belligerents as of the assumed national character, or are in so great danger of capture from this cause, as to constitute the use of such papers a violation of the warranty of neutrality. But if the underwriters know, or ought to know, that by the usage of trade, two sets of papers are carried for the purpose of protecting the goods, they impliedly consent to the usage; and the set of papers which will protect the property when its national character is called in question, may be produced as circumstances require.

If the captain of the ship attempts to disguise belligerent goods as neutral, it will be a breach of the warranty as to other parts of the cargo; for as he is considered a general agent of the assured, the whole of the property on board is liable to condemnation by the law of nations, for an attempt on his part to deceive one of the belligerents by covering the property of an enemy. But if the same goods had been taken on board, accompanied by papers showing their true national character, the warranty would not have been violated in respect to any other part of the cargo. The law of nations, as to what is to be considered neutral property, and the documents and papers to be procured, and the conduct to be observed, in order to entitle it to respect and protection as such, are liable to be controlled by treaty, since nations may substitute express rules for those implied obligations which the general law imposes without any stipulation; and many material and important alterations and modifications of the law of nations, in these respects, have been made in different treaties.

For the purpose of complying with this express warranty, it is material not only that the property should be neutral in itself, and accompanied by documents and papers sufficiently authenticated, to prove such neutrality with unquestionable certainty, but that the assured, and his agents, who have the control of the property, should so conduct the voyage, and manage and employ the subject, as not to forfeit its neutral character. And if any act is committed on the part of the assured in violation of the law of nations, or in contravention of treaties entered into by his country with foreign powers, by which the risk of the insured is enhanced, it will be considered a breach of the warranty of neutrality, and the insured will consequently forfeit his right of recovery under the policy. As there is belligerent action and open warfare carried on upon the high seas, by some maritime nations, during a great portion of the time, it is of considerable importance to the adventurous merchant that he should understand the kind of conduct he is bound to pursue, for the purpose of preserving a strict neutrality towards the contending powers, and to secure the indemnity which insurance is intended to guarantee in case of a loss of property covered by the instrument. We shall accordingly point out some of the most material duties incumbent upon the assured, and which he ought to perform, when his property is placed within the reach and under the control of a belligerent naval force; and also the rules and regulations he is bound to observe in the conduct and disposition of his property, when in the vicinity of a blockaded port.

The law of nations imposes upon neutral merchant vessels, the obligation of submitting to be searched by the public armed ships of a belligerent power, and it is the duty of the captains of merchantmen to permit the officers of such armed vessels to come on board, and examine the ship's papers, and those relating to the cargo; and he is bound to answer questions touching the neutral character of the property; and to produce for inspection, the papers by which it is accompanied, for the purpose of giving the belligerent every opportunity of judging whether the ship and cargo are of a neutral character. It was formerly doubted, whether the neutral vessel, in case she was of sufficient strength, could not legally resist such search; but it is now well settled, that the right of boarding and searching the merchant ships of every country on the globe, is an incontestable privilege of the lawfully commissioned cruisers of a belligerent nation; and to resist this right, when exercised in a lawful manner, is a breach of the warranty of neutrality. When an armed ship claims the privilege of searching a merchant vessel, on the high seas, its character and commission must be made known, and the right which it claims clearly proved, or the neutral may lawfully resist; and if treaties exist, which point out the mode in which such search must be made, the belligerent will not be at liberty to depart from the rules thus prescribed, but is bound to act in accordance with their provisions, and if they are violated, the neutral is justified in resisting such infringement of his rights. Under the right of search, is included that of sending the vessel into port, for the purpose of enjoying better opportunities of examining the property, in order to determine its true national character. It is therefore a breach of the warranty, for the captain and crew of a neutral vessel sent into port, under such circumstances, to attempt to retake it, and to withdraw the property from the possession of the belligerent; but if it is conveyed into port and detained, and the suspicions inducing such detention are unjustifiable, a full indemnity must be made to the injured vessel for all the damages she may have sustained, which will be enforced in admiralty, against the captors. Whenever a belligerent ship takes possession of a neutral vessel, suspecting her to be engaged in traffic, inconsistent with her assumed character, a sufficient number of men must be placed on board to navigate her in safety, and the original crew are not in any case obliged to assist; and if the requisite number are not furnished, the vessel may be lawfully rescued by the captain and men, without a violation of the warranty. In noticing some of the leading rules which the law of nations prescribes for governing the commercial rights of neutrals, in trading to a port in a state of blockade, we shall not pretend to examine what constitutes a valid blockade; but supposing one legally in existence, shall point out the rule of conduct to be observed in order to prevent its violation. A declaration of a blockade is a high act of sovereignty, and is usually made and promulgated directly by the government to which the blockading squadron belongs. It is sometimes declared, however, by an officer of a belligerent power, and when so declared, will affect the subjects of neutral states only so far as the officer is properly authorized. Neutrals are not in any manner prejudiced, until notice of the blockade is given; and this may be done by a public notification from the belligerent to the neutral government, which is sufficient, and is then presumed to be known by its subjects; or it may be given directly to the captain or owners of a vessel; and it must in all cases appear that the neutral subject has personally had such notice, or that it was so publicly and generally known, that he must be presumed to have a knowledge of the blockade. Whenever the assured has actual or constructive notice of the existence of a blockade, declared in a legal manner, and maintained by a sufficient naval force, any attempt on his part to carry property to or from the blockaded port, is a breach of the warranty of its neutral character. Under these circumstances, no actual violation of the blockade need be committed; the intention to enter such port, accompanied by an actual sailing in contemplation of such entry, would, in case of capture by the blockading force, subject the property to condemnation; and any act and intention of this nature would discharge the insurer from all liability under the policy. If a ship is in port at the time a declaration of blockade is made, she may come out in ballast; and in case all her cargo is on board, before it commences, she may lawfully proceed upon her intended voyage; and where a vessel is in port, laden with goods which were imported previous to the declaration of blockade, she may, by the law of nations, bring such goods away without discharging them, and in doing so, will not infringe any right of the belligerent power. To constitute a breach of blockade, it is necessary not only that there should be an intention to that effect, but that such intention should be accompanied with some act in pursuance of it, calculated to convey the impression that the design will be carried into execution; and as an attempt to commit such violation is punished by severe forfeiture and heavy pecuniary loss, courts of justice in determining what amounts to a breach of blockade, will entertain enlarged and liberal opinions, and be governed by the broad principles of universal justice.

Notwithstanding the general principle, that a vessel cannot enter a blockaded port without violating the warranty of her neutral character, there are still some exceptions to this rule; for if a ship is in imminent danger of being injured or destroyed by the perils of the sea, or has received such severe damage as to make it absolutely necessary to go into some port, where she can ride in safety, or where necessary and important repairs can be bestowed, she may, in either of these cases, lawfully enter a port in a state of blockade, if some adjacent one cannot be reached without great inconvenience and danger; and where a vessel procures a license from the government, to which the blockading squadron belongs, authorizing her to visit such port, this liberty may be enjoyed, without, in the least degree, endangering her neutral character, or in any manner affecting the legal rights of the owner, under any policy he may have obtained upon such vessel, for his indemnity.

The various express warranties we have mentioned are those usually inserted in a policy of marine insurance; but many others may be made, to which we have not alluded. These, however, will be governed by the rules before laid down, in reference to the warranties already pointed out and considered; and in framing the instrument, the assured must be extremely careful to understand and appreciate the extent and legal effect of every condition which the policy contains.

Art. IV.—POLITICAL ECONOMY.

John Hopkins' Notions on Political Economy. By the author of "Conversations on Chemistry," "Political Economy," etc.

The mere title of a book on Political Economy is calculated to suggest grave considerations: it is the sign of an important change in the social as well as the literary world—a change in the feelings and habits of thought pervading every rank of civilized society. It may be that many engaged in the active employments of life have not paid much attention to the silent revolution in which they are unconscious actors; as persons floated down by the current scarcely observe the river's motion, unless their attention is engaged by some attractive object on the banks. The list of writers who have devoted their leisure and their talents to this important subject is sufficiently remarkable to arrest notice, for it shows that questions connected with the constitution and interests of society, have engaged the attention which was once devoted to the graces of literature and the refinements of science. When some of our most distinguished senators address pamphlets on political science to their constituents—when Lord Brougham, in England, superintends "The Working Man's Companion," and ladies write tales to illustrate Political Economy—when the questions of Poor Laws, Free Trade, and Sub-Treasury Schemes are discussed more eagerly in our colleges than the metrical canons of Porson, or the grammatical niceties of Anthon—when in every private society, from the hut to the mansion, we find the nature and probable results of laws to be enacted or repealed, discussed energetically, if not wisely, we cannot doubt that a bold spirit of inquiry is abroad, whose workings must not, and indeed, cannot be neglected.

The main question discussed in all the works on political economy, that have been issued from the press within the last twenty years, is, the best means of ameliorating the condition of the laboring population; consequently, all these writers—on other topics far as the poles asunder—agree that there is something of which the working class may justly complain. But what is that something? We shall not be very wide of the truth, we think, in answering, that while wealth has increased in certain quarters, poverty has not been proportionately diminished in others. It is, perhaps, a fallacy either to assert or deny that the poverty of one class has increased with the wealth of the other, because poverty and wealth are sometimes used in a positive and sometimes in a relative sense. Taking comforts and necessaries as the measure of poverty—as a greater share of these can be obtained by labor now, than could a century ago—it might be said that the poor are at this moment in better circumstances than they were; but, taking the amount of distance between the poor and the rich as our measure, there exists, unquestionably, more relative poverty now than at any former period. It seems to us, however, that the extreme schools of political economists have founded their systems too exclusively on one or other of these views: whereas, for any good result, both should be taken into consideration. The complaint then might, perhaps, be stated thus: For a certain period, the wealth of this country has been increasing, but that wealth has been hitherto disproportionately distributed; now, as wealth is but an accumulation of profits, this disproportion proves that a class has been unjustly deprived of its fair share of profits, and must continue to be so, until a more equitable mode of distribution is adopted. This would be a just ground of complaint—view the question how we may—for it is no argument to tell a man that he is well off, when he has a right to be still better. If asked whence arises this unequal distribution of wealth, it might be answered—from the system of commercial laws which regulate the distribution; but that system is composed of parts so numerous and varied, that it is no easy matter to discover the peccant member, and when found, it is questionable whether it can now be removed without injury to a sound part. This is the greatest difficulty that the practical statesman has to encounter, and it is that for which least allowance is made by the generality of mankind. Abstract principles are often insisted upon too rigidly, and sufficient allowance is not made for the operation of circumstances. How much better would it be, if those who have written or spoken on the subject, had always made it their object to impress on the laboring class the duty and advantage of using the means of improvement already in their hands, and to teach rulers that the best encouragement to industry is to show the industrious how to avail themselves of their own resources, instead of looking to the government for aid, as if acts of Congress were charms, and proclamations spell-words, that could control the laws of nature.

We are not disposed, however, to enter at any great length on this much agitated question, on which most persons have now made up their minds, and that too, the more determinately, because they have very generally done so without consulting the evidence. But we cannot refrain from expressing our opinion, that another and a greater matter than that between the advocates and opponents of any particular set of principles, remains behind, namely, an examination of the *necessity* which is supposed to entail pauperism on society. That casual poverty could be prevented, even in the best constituted state, is assuredly an Utopian dream; but such poverty is not difficult to deal with, and may be met either by voluntary or compulsory charity, as may seem best to the lawgiver. The poverty to which we allude, is that wholesale pestilence, which is now considered as a natural grade in society, and which makes perpetual calls on the legislator and the magistrate to satisfy its ceaseless cravings.

Of this poverty, we have a strong conviction, that in a really civilized community, in which substantial justice was administered to all classes of the people, it would not exist. We believe it to be the immediate consequence of undue privileges, of undue obstacles to the free circulation and natural reward of labor, the most sacred of all properties. In

England, for instance, the entire course of the legislature has tended to manufacture paupers, and to squeeze out of the pale of the national industry an increasing portion of the most helpless of the laboring population. The great scope of the English statute law, (and not to go to remoter sources,) has been to favor accumulation, to promote monopoly, and to place manual labor in dependence on capital. Judging from experience, it appears to us that Providence has imbued the species with so strong a disposition to labor in order to overcome the difficulties with which nature has surrounded our means of subsistence, that it requires a very strong pressure to depress and beggar the many; and the history of modern commerce is one entire illustration of this truth.

Another evil tending to the multiplication of pauperism, is the unequal pressure of indirect taxation, which falling on articles of primary consumption, weighs the more heavily, in proportion to the narrowness of the individual's income. But the greatest cause of mischief, is the utter indifference long shown by the state to the moral education of the people; and we would refer, in proof, to the large proportion of the laboring population, who, whether they have or have not received doctrinal instruction, are utterly ignorant of the very elements of prudential wisdom, and are left at the mercy of their passions and appetites, to waste or misapply their resources, and to sink into wretchedness, pauperism, and perhaps criminality.

The following passages, which occur in a beautiful discourse delivered by Dr. Channing, at Boston, in the year 1835, on the Anniversary of the Benevolent Fraternity of Churches, will bring home the subject to the heart of the reader, far more certainly than we could hope to do.

"It is the boast of our country, that the civil and political rights of every human being are secured;—that impartial law watches alike over rich and poor. But man has other, and more important, than civil rights; and this is especially true of the poor. To him who owns nothing, what avails it, that he lives in a country where property is inviolable; or what mighty boon is it to him, that every citizen is eligible to office, when his condition is an insuperable bar to promotion? To the poor, as to all men, moral rights are most important; the right to be regarded according to their nature—to be regarded, not as animals or material instruments, but as men; the right to be esteemed and honored, according to their fidelity to the moral law; and their right to whatever aids their fellow beings can offer for their moral improvement, for the growth of their highest power. These rights are founded on the supremacy of the moral nature, and until they are recognized, the poor are deeply wronged.

"Our whole connection with the poor should tend to awaken in them a consciousness of their moral powers and responsibilities, and to raise them in spirit and hope above their lot. They should be aided to know themselves, by the estimate we form of them. They should be rescued from self-contempt, by seeing others impressed with the great purpose of their being. We may call the poor unfortunate, but never call them low. If faithful to their right, they stand among the high. They have no superiors, but in those who follow a brighter, purer light; and to withhold from them respect, is to defraud their virtue of a support, which is among the most sacred rights of man. Are they morally fallen and lost?

They should still learn, in our unaffected concern, the worth of the fallen soul, and learn that nothing seems to us so fearful as its degradation. This moral, spiritual interest in the poor, we should express and make effectual by approaching them—by establishing an intercourse with them, as far as consists with other duties. The strength, happiness, and true civilization of a community are determined by nothing more, than by this fraternal union among all conditions of men. For the sake of the rich as well as poor, there should be a mutual interest binding them together; there should be but one caste, that of humanity."

If there be one principle of political economy more firmly established or more important than another, it is that which has been called *the principle of population*. Scarcely a year passes in which the operation of that principle is not manifested in the sufferings of some one or more of the classes into which our laborers are divided—sufferings which have their immediate cause, indeed, in some casual revulsion of trade, but which are aggravated and prolonged by the habitual poverty existing among all the laboring classes, and which, it has been proved to satiety, is the consequence of the disproportion between the numbers to be employed and the means of employing them. The law which regulates the proportion between the number of laborers and the means by which they may be employed—in other words, which regulates the *permanent* rate of wages—is called the principle of population. How important must be the consideration of the principle which regulates the rate of wages, both to those who pay and those who receive them, is sufficiently plain. It has, accordingly, attracted a greater share of public attention than many other important doctrines of the science of which it forms a part, and will continue to obtrude itself upon the consideration of all those who turn their minds to political reasoning, as long as peasants shall be subject to periodical sufferings.

The question being simply one of proportion—the proportion between the numbers of the people and the means of employing them—it is necessary to ascertain in the first place, the relative rates according to which the number of the people and the means of employment would increase, if no check were employed upon the increase of either. This rate has almost universally been called *the tendency to increase*—a phrase very clear and definite, but which has occasionally been applied in a novel and unaccustomed manner, without duly weighing the importance of adhering to an established phraseology; or, at all events, without adducing a sufficient reason for dissenting from it in any particular instance.

The means of employing laborers are food and the implements and materials of their trade; but food is the main object of consideration. It has been shown by distinguished political economists, and it is obvious without further proof, that additional labor employed in the cultivation of the land within a given district, produces generally a less proportionate return. The more labor bestowed upon the same soil, the greater is the total return, but the less is the return to every successive quantity of labor bestowed. The tendency of food to increase is therefore a constantly decreasing tendency.

Then what is the tendency to increase in the human race? This tendency has long since been determined by philosophic observation. It has been ascertained that, for considerable periods, and in extensive districts under temperate climates, population has doubled every twenty-five years. The power of reproduction in the human race must, under similar climates, be always and every where the same.

Here, then, we have the means of determining the question at once. The tendency of population to increase is constantly the same; that of food is constantly diminishing. It is certain, therefore, when we consider the simplicity and shortness of the premises, unusually certain, that as the wages of labor depend upon the proportion between food and numbers, and as numbers can increase faster than food, that unless the number of laborers can be limited, the people must always be poor; and as surely as they are poor will they be miserable, vicious, and discontented. To enlighten the people upon the great law which regulates their condition, and which so materially concerns the safety of their superiors in wealth and station, is obviously the most benevolent work of private charity, and a chief duty of public governors.

The tendency of wealth and civilization to check the increase of numbers, by elevating the moral feelings of the people, and inducing them to submit to voluntary restraint rather than undergo the privations which spring from improvident marriages, is no where so ably or more eloquently expounded, than in the works of the late Professor Senior. "What," (asks this writer,) "is the picture presented by the earliest records of those nations which are now civilized? or, which is the same, what is now the state of savage nations? A state of habitual poverty and occasional famine. A scanty population, but still scantier means of support. Admitting, and it must be admitted, that in almost all countries the condition of the body of the people is poor and miserable, yet as poverty and misery were their original inheritance, what inference can we draw from the continuance of their misery as to the tendency of their numbers to increase more rapidly than their wealth? But if a single country can be found in which there is now less poverty than is universal in a savage state, it must be true, that under the circumstances in which that country has been placed, the means of subsistence have a greater tendency to increase than the population. Now this is the case in *every* civilized country. Even in Ireland, the country most likely to afford an instance of what Mr. Mill supposes to be the natural course of things, poor and populous as she is, suffers less from want with her eight millions of people, than when her only inhabitants were a few septs of hunters and fishers. In our early history, famines, and pestilences the consequences of famine, constantly recur. At present, though our numbers are trebled and quadrupled, they are unheard of. The United States of America afford the best ascertained instance of great and continued increase of numbers. They have afforded a field in which the powers of population have been allowed to exhaust their energy; but though exerted to the utmost, they have not equalled the progress of subsistence. Whole colonies of the first settlers perished from absolute want; their successors struggled long against hardship and privation, but every increase of their numbers seem to have been accompanied or preceded by increased means of support. If it be conceded that there exists in the human race a natural tendency to rise from barbarism to civilization, and that the means of subsistence are proportionally more abundant in a civilized than a savage state—and neither of these propositions can be denied—it must follow, that there is *a natural tendency in subsistence to increase in a greater ratio than population.*"

Now, we cannot but think, that this admits of a very simple answer. When it is said, that there is a tendency in population to increase faster than the means of subsistence, that form of stating the proposition is adopted as the shortest and most convenient method of saying, that in the absence of all checks to increase, men will be multiplied faster than food. It was never meant that they could be multiplied *without* food; that food must not be first produced, in order that they may be multiplied at all; nor even that as societies advance in civilization, food would not be increased in a greater ratio to the increase of population than in the savage state. What was meant to be conveyed by the proposition was, that the greater capability of increase was on the side of population; that a *check* must be imposed there, and an impulse, if possible, applied to the production of food. And that this is the *useful* mode of stating the theory, Mr. Senior himself admits; for he tells us afterwards, that, whether in the absence of disturbing causes, it be the *tendency* of subsistence or of population, to advance with greater rapidity, is a question of slight importance, if it be acknowledged that human happiness or misery depend principally on their relative advance; and that there are causes, and causes within human control, by which that advance can be regulated.

If it ever happen in any country that population, although having a tendency (abstractedly) to increase faster than food, be found in fact to advance at a slower rate, it may be said, with verbal accuracy, that food in that country has a tendency to increase faster than population. So may it also be said, with verbal accuracy, that there is a tendency in matter, when set in motion, to come to a state of rest; because it does, in fact, alternately come to a state of rest when set in motion: or that there is a tendency in it to move in curved and not in straight lines, because the planets revolve round the sun. And yet we think, that if any man should propose to adopt this phraseology, and to reject the old Newtonian proposition, that matter, when set in motion, will move on in a straight line for ever, he would be said rather to dispute about words than facts.

The late Mr. Malthus has frequently been accused of taking too gloomy a view of the principle of population. The remark is true, though somewhat uncharitable, for the fault was in the position of the author, not in his mind. It must be remembered that at the time when the "Essay on Population" was published, now thirty-four years ago, he had to deal with a great practical and growing evil in society, of which few persons at that time had observed either the source or the remedy—that there prevailed generally amongst the poor an utter improvidence with respect to marriage and settlement in life—that foresight and frugality, the special virtues of their station, were fast losing ground in their estimation; and that they were recklessly sinking into a state of entire dependence on the poor's rate; while the conduct and opinions of those above them, so far from expressing their error, rather tended to encourage it.

With these facts before him, and the consequences strongly impressed on his mind, we cannot wonder that Mr. Malthus, having laid down and demonstrated the great law of nature respecting population, should have thought it necessary in the first instance to point out, in all its naked deformity, the sin and misery which would inevitably attend an habitual violation of it; and that under this aspect he himself should have chiefly regarded it. That there is a bright side to this law of nature is most true; and every benevolent and pious mind will be delighted to dwell upon it. God is good and righteous in all his ways, and in the hands of a gracious Providence this principle is made subservient to the most beneficial and improving ends, being the great moving cause which excites the best energies of mankind into action, and gives spirit and perseverance to their most valuable labors.

In considering this part of the subject, it should never be forgotten, however, that the labors of Mr. Malthus were at first directed against that wild and most unscriptural tenet—the perfectibility of man; and that temperance, frugality, chastity—virtues strictly scriptural and evangelical—were the sole remedies recommended by him. Nor can it be said at present, that these gloomy views were unnecessary; notwithstanding all the warnings of the "Essay on Population," the evil it contemplated has now arisen to so great a height, as to become almost incapable of remedy; but we believe, firmly, that had it not been for this book of Mr. Malthus, and all the wise and salutary parochial regulations which have sprung from it, the mischief would have been infinitely greater, and our way out of it much more obscure and difficult—if any could have been found at all, short of a convulsion of society. So much, indeed, is this knotty subject involved in difficulties, and such is the melancholy extent of sophistical argumentation which it has engendered, that some persons have openly dared to inculcate a practice more detestable than infanticide, in order to reconcile their theory of keeping the population within the measure of the supply of food. It is a pity that such monsters, calculating bloodhounds, were not the victims of the infernal process they recommend; but were unfortunately born to consume the bread of more human beings.

The question of Free Trade is the next in importance. By some writers it has been considered next to the question of free religion, as the most momentous that has ever been submitted to human decision; and if we may judge of the moment of an inquiry by the clamor which is made in discussing it—by the abuse which is showered upon the heads of the reformers in trade, and the contempt by which that abuse is repaid, it would seem that the importance of this great point has not been exaggerated. It is a want of respect to the public, generally speaking, to advance doctrines on which reasonable men may be presumed to differ, with the same confidence as if they were universally admitted truths. The boldness and obstinacy with which particular opinions are sometimes advocated, often tend, besides, to give a severe handle to the adversaries of institutions for the advancement of intelligence; for whoever shall dissent from the dogmas laid down in the first page of those multifarious tracts, where zeal rather than knowledge is conspicuous, is not likely to be beguiled into reading the second. Hence it is that this much contested question, notwithstanding the running fire of musquetry which has been kept up on both sides for so many years, is so far from being satisfactorily settled; nay, should the unhappy prejudices that still exist on this subject, continue—should the extension of representative governments increase the power of public opinion over the policy of nations, it is much to be feared that commerce may not long be enabled to retain even that degree of freedom which she now enjoys. The people, however, are beginning to find out, that the pleasures resulting from the indulgence of such feelings are very few, and very expensive; and although there are many prejudices to be removed, and many interests to be conciliated, before a new system can be established with ease, or perhaps with safety, we must hope, that as the process of amelioration has commenced, its pace will not be long retarded.

There is a class of writers, who, of late years, have undertaken a crusade against Adam Smith and his followers, averring that the modern school of political economy is based on erroneous principles—that the system of protecting duties established by our ancestors was the consummation of human wisdom;—and that it is not merely the right, but the duty, of a state to determine in what channels capital should flow, and towards what objects industry should be directed. The principal arguments adduced in favor of this antiquated theory are these: Firstly, that a nation imports from a distance, a manufactured commodity, which it could make as cheap, or cheaper, at home, were the manufacture introduced there. Secondly, that as the introduction of such a manufacture would be too expensive a project to be carried into effect by any private individual, the whole society might to do so, through the expenditure for a few years of a portion of its revenue, much less than what an equal number of years succeeding them will return to it in the diminished cost of the article. Thirdly, that he, or they, who legislate for the society, embrace the apparent benefit, and, by means of a small expenditure, effect an increase of the productive powers of the community. Fourthly, that in this the legislator acts in a manner that would be accounted prudence in a private person, who conducted any system of industry for his own emolument.

Now the whole fallacy of those who support the restrictive system is contained in these few sentences; for, the existence of such a nation, importing commodities from a distance, which it could make as cheap or cheaper at home, may fairly be questioned. Nor is the introduction of any manufacture to a position which nature has rendered peculiarly favorable to it, beyond the power of a private individual, or, at least, a body of individuals; witness, for instance, the establishment of manufactures in New South Wales, in consequence of the discovery of coal in that colony; and that by individuals, who never thought of calling on the nation to defray the cost.

But it would not be very easy to count the expense to which the forced establishment of any manufacture would put a nation. Let us suppose, that in order to encourage the manufacture of stockings, our government should place a high duty on their importation. Now, every purchaser loses the difference between the American and English prices; but the manufacturer does not gain that amount, because the cost of production is greater to him than to the Englishman. The purchaser also loses in the inferiority of the article supplied; for forced manufactures, protected by monopoly, are not only dear, but bad; as was proved within our own memory by the English silk trade. The government must lose by the necessity of employing means to prevent smuggling; and finally, the improvement that is to remunerate all these losses is at best problematical; for no manufactory, protected by a monopoly, has ever yet improved. Protection and monopolies are not only evils, but they are evils that tend to perpetuate themselves. To establish them is easy enough; but to remove them has been the most difficult task that modern statesmen have had to encounter.

Again, the supposition that those who legislate for the society embrace the apparent benefit, etc., is a rash and daring assumption, contradicted by daily experience. The legislator, in the first place, does not increase the productive powers of the community, he only gives them a new direction; if the manufactory be one less suited to his own country than that in which the manufacture was previously established, he gives them a wasteful direction. The article must, in the first instance, confessedly be produced at a greater expense; and that expense operates as a tax on the productive powers of the nation, by checking the production of articles to exchange with the foreign manufacturing country. There is but one request that manufacturers of any country should make to their government—it is that which was addressed to Colbert, "*Laissez nous faire.*"

The English submit to a loss exceeding probably a million sterling every year, occasioned by the restriction on the importation of Baltic timber, and voluntarily inoculate their houses with dry-rot, lest saw mills in Canada, and ships in the North American timber trade, the aggregate value of which does not amount to a million sterling, should become less productive to their owners. They prohibit sugar refined in the colonies, and consequently import it in a state more bulky and more perishable, lest the profits of a few sugar-refiners should be lessened. Other selfishness may be as intense, but none is so unblushing, because none is so tolerated as that of a monopolist claiming a vested interest in a public injury. The subject is still farther obscured by that powerful instrument of confusion, national jealousy. "Free trade is not only to deprive us of our money," say those who have assailed Adam Smith for having pushed too far the analogy between nations and individuals, "it is also to carry it to our neighbors; it is to do worse than to impoverish ourselves, it is to enrich them." Now this is preposterous in the extreme; for as money is not a source of gratification, but a mere instrument of commerce, if our prices were not affected by parting with a portion of our money, we should sustain no loss whatever, and have gained the commodities of our neighbors without any real sacrifice, while they would have parted with those commodities, and received no sensible equivalent. Besides, to suppose that the level of the precious metals in the commercial world can be permanently disturbed by taking money from one country to another, is as absurd as to suppose that the level of a pond can be altered, by taking a bucket-full from one place, and pouring it in at another. The water instantly rushes to the place from which the bucket-full has been drawn, just as it rushes into the place from which it has been poured. And yet, with these facts before men's eyes, each nation has always exercised her perverse ingenuity to exclude the commodities of her neighbors, and the mercantile system seems to have proclaimed, and national jealousy to have re-echoed—

> Nequicquam Deus abscidit
> Prudens oceano dissociabili
> Terras, si tamen impiæ
> Non tangenda rates transillunt vada.

Another most efficient fallacy consists in a use of the word "independent." To be independent of foreign supply, in consequence of the abundance of our own, is unquestionably a benefit; but how full of truth and import are the following remarks of Mr. Senior, relative to this part of the subject:

"If we could give to our soil and climate the productive powers of the richest plains in Mexico, and instead of eight or ten, obtain a return of ninety or one hundred, for every grain of wheat committed to the earth, we should be independent of foreign grain; but the benefit would consist, not in the independence, but in the abundance. The independence of the mercantile system is accompanied, not by abundance, but by privation; it arises not from the extent, but from the mismanagement of our resources; not from our riches, but from our self-inflicted poverty. It is the independence of Swift, who deprived himself, during the last years of his sanity, of the power of reading, by an obstinate resolution never to use glasses. It is the independence of my supposed trader in blacking his own shoes. It is to be independent of the footpath, by walking in the kennel. Independence of our neighbors has, however, sometimes been recommended, not as a means of wealth, but of security. This view of the subject is not within the scope of political economy. If I might venture to travel somewhat beyond my sphere, I should reply, that it seems forgotten, that dependence, as well as independence, must be mutual; that we cannot be habitually dependent on another nation for a large portion of our annual supplies, without that nation being equally dependent upon us. That if such a mutual dependence should increase the inconveniences of war to the one, it would equally increase them to the other. That if the supposed intercourse were one in which England received raw produce in return for her manufactures, or even her gold, (and such are the cases in which this argument is chiefly used,) such an intercourse would bind to her the foreign country in question by the strongest of all possible ties, the immediate interest of the owners of the soil, the most powerful class in every community, and the only class possessing power in a poor country. And I should infer from all this, that an attempt at commercial independence must infinitely increase the chances of a war to a nation, by diminishing the motives in other nations to remain at peace with her, and by impoverishing her, must make her less able to support the wars to which it inevitably leads. To the mercantile system, besides its own peculiar follies, we may in general attribute the greatest of all human follies—the existence of war between civilized nations."

Mill, an excellent authority on all subjects connected with political economy, fully agrees with what we have stated before, as to the answer which should be made by the manufacturers of any country, in case the policy of the restrictive and prohibitive system should be forced upon them. According to him, the business of production and exchange, if left to choose its own channels, is sure to choose those which are most advantageous to the community—it is sure to choose those, in which the commodities, which the community desires to obtain, are obtained with the smallest cost: and what good besides is the business of production and exchange, calculated to yield, but to obtain the commodities which man desires, and to obtain them with the smallest cost? In whatever degree, therefore, the business of production and exchange is forced out of the channels into which it would go of its own accord, to that degree the advantages arising from production and exchange are sacrificed; or at any rate, postponed to something else. If there is any case, in which they ought to be postponed to something else, that is a question of politics, and not of political economy. The following extract from Mr. Mill's "Elements of Political Economy," is an apt illustration of this theory, and shows by very clear and short demonstration, into what channels production and exchange would flow if left free to themselves.

"If a country had no commercial intercourse with other countries, and employed the whole of its productive powers exclusively for the supply of its consumption, nothing could be more obviously absurd, than to give premiums for the production of one set of commodities, and oppose obstructions of any sort to the production of another; I mean in the view of political economy, or, on account of production; for if any country opposes obstructions to certain commodities, as spirituous liquors, because the use of them is hurtful, this regards morality, and has, for its end, to regulate not production, but consumption. Wherever it is not intended to limit consumption, it seems admitted, even in practice, that the demand will always regulate the supply, in the manner in which the benefit of the community is best consulted. The most stupid governments have not thought of giving a premium for the making of shoes, or imposing a preventive tax upon the production of stockings, in order to enrich the country by making a greater quantity of shoes, and a less quantity of stockings. With a view to the internal supply, it seems to be understood, that just as many shoes and just as many stockings should be made, as there is a demand for. If a different policy were pursued;—if a premium were bestowed upon the production of shoes, a tax, or other burthen upon the production of stockings, the effect would only be, that shoes would be afforded to the people cheaper, and stockings dearer, than they otherwise would be;—that the people would be better supplied with shoes, worse supplied with stockings, than they would have been, if things had been left to their natural course; that is, if the people had been left to consult freely their own convenience; in other words, if the greatest quantity of benefit from their labor, had been allowed to be obtained."

After so many conflicting statements, and all the contradictory opinions we have been at the trouble of collecting, in order to arrive at a resolute settlement of conviction, it is most refreshing to turn to a work so full of excellent remarks and valuable information—so redolent of the spirit of philosophical induction, acute research, and happy illustration, and yet so utterly devoid of tedious technicalities or pedantic allusion, as that containing the truly important "notions" of the veritable John Hopkins; an individual, by-the-by, who has been identified in England, with no less illustrious a personage than the sage and erudite Lord Brougham. It is like slaking one's thirst at the waters of a pure and liquid stream after having journeyed through a sterile waste, where the puddle by the road-side afforded the suffering wanderer the only relief.

The object of the work may be stated in very few words: it is to show that as it would be impossible for any man to obtain every thing that might be agreeable to him, it behoves him not to repine at the want of what may be placed beyond his reach, but rather to seek for happiness in the best way in which it can be acquired; it is to expose the ignorance and superficiality of those would-be sages, who have gone so far as to refer the whole science of political economy to labor, when we see so vast a quantity of productions without labor; it is to show that the entire system of bounties, protecting duties, and commercial restrictions, which have produced so much want and misery, may be traced to the erroneous kindness and mistaken benevolence of reckless philanthropists, who have tried to establish royal roads to prosperity and happiness, instead of permitting individuals to seek their own interests and their own enjoyments in their own way; that it would be as impossible to transfer capital, industry, intelligence, or skill, from one country to another, by a simple act of the legislature, as it would be to transfer soil, climate, or mines: and that consequently, for any country to struggle against the natural advantages of another, without possessing similar, would be ridiculous in the extreme; that the poor are always ready to reduce every thing to a common level of equality, provided it does not touch them, or diminish their comforts; that the beneficial results of machinery, and its advantages over hand-power are incalculable; that to advocate the old system of mutual exclusion with its consequent exasperation of national envy, national jealousy, and national hatred, is only worthy of a people living under governments founded on principles directly in opposition to the natural progress of civilization; and that the laws which direct the rate of wages, are the best that could be devised by an enlightened government, whose object is to promote the happiness of the community associated under it, by such measures as cannot be undertaken by individual or subordinate associations for themselves, or cannot be undertaken with equal advantage.

All this is told in the rough, unstudied language of actual life, in a series of lively dialogues between John Hopkins and those around him, wherein the argument in favor or against any contemplated measure, system, or law, is admirably well sustained, and all the difficulties of the subject lucidly exposed. The quantum of instruction thus to be obtained can hardly be estimated; the excellent manner in which it is put together in this volume, conveys all the information necessary for ordinary purposes, to the general reader, and in a simple and agreeable manner makes him sufficiently master of a subject, which it would require the perusal of many tomes, and the application of much hard study, to become acquainted with in the usual way. It is like extracting essences in chemistry, and giving all the virtue of bulky masses in small crystals or liquid drops. We will endeavor to give a specimen or two.

"John Hopkins is in himself a striking illustration of the perversity of mankind, in attributing the wants produced by sloth, dissipation, or indolence, to the extravagances of the rich. Believing in his own heart, that all his miseries and privations are entailed upon him in order to supply fine carriages and other reprehensible luxuries to his landlord, he applied to a benevolent fairy, who, with great good nature, and at his own particular request, destroys by a stroke of her wand all the luxuries then in existence, in order to get rid of the evil, root and branch. John is delighted beyond measure at the prospect of seeing the rich reduced to the same flat level with himself; anticipating no small improvement in his own circumstances, by this utter annihilation of all the expensive commodities of life. On his return home, however, his mirth receives a terrible check, and all pleasurable sensations are turned into dismay. All the little comforts he had hitherto possessed, however mean or humble, had made themselves wings, as it were, and fled away; the very pipe with which he was wont to console himself in the hour of affliction, had been turned into primitive clay. The mischief which had been done to the mercantile interest throughout all its branches and ramifications was incalculable; despair and famine stared every body in the face. John hastened, therefore, to throw himself imploringly on his knees before the fairy, and right glad was he to find that amiable lady so pliable as to listen to his entreaties, that she would reverse the fatal decree, and bring back things to their former state.

"John grew wise by this lesson; and whenever any one complained of the hardness of the times, and laid it to the score of the expenses of the rich, took upon him to prove that the poor were gainers, not losers, by luxuries; and when argument failed to convince his hearers, he related his wonderful tale.

"Notwithstanding this severe lesson, and the narrow escape he had just had from the harrowing evils which his folly had so lately brought upon him, John's progress in the ways of wisdom was neither so quick or so decided as one could have wished. His next exploit was to apply to the fairy for an increase of wages. The lady reluctantly complies with his request, but with the express condition that the law should only remain in force for three months. With the increase of wages every thing rises in price; and so far from being able to purchase new articles of apparel for himself and family, as he had fondly anticipated, John soon found that double wages came far short of the balance of what was needed, to supply the commonest articles of food. His own children are turned out of the factory without work, and universal ruin threatens to overtake every body, and to involve in one common vortex of destruction the merchant, the manufacturer, the laborer, and the mechanic. It was with no ordinary degree of anxiety, therefore, that John awaited the expiration of the three months, when the influence of the fairy's wand would cease, and wages return to their usual rate.

"He had learnt how dangerous it was to meddle with things he did not understand, and he came to a firm resolution of never more applying to the fairy, but to endeavor to get clearer ideas on such matters. This he was in some measure enabled to do through his son Dick, during the time he remained at home; for Dick, working at a factory and living in a town, had many more opportunities of picking up knowledge than a country laborer, whose life is comparatively solitary. Factory-men have so deep an interest in the rise and fall of wages, that they are in the habit of talking the matter over, till at last they get pretty good notions on the subject. They are aware that their own employment depends on the manufacturer being able to sell his goods with profit; they see, therefore, that the prosperity of the master and his workmen go hand in hand. John was surprised that Dick should turn out so knowing a lad, as he had had very little schooling. Dick observed, that working in a factory was like going to school, only that they learnt by talking instead of by reading. 'Well, but I should have thought your talk would have run on merrier matters, and that you would not have worried your brains with such difficult subjects,' said John. 'Men are sharp-witted, father, when their interest is at stake; and if it 's fit that they should learn their calling, it 's just as fit that they should be able to judge whether their calling goes on well or ill, and the reason why and wherefore.'

"'It 's not all good that 's learnt by your talk in a factory, Dick. I 've heard say that one bad man will corrupt a whole factory, just as one rotten apple will infect the whole heap.'

"'It 's no such thing,' replied Dick; 'when men can earn their livelihood fairly and honestly, they are ready enough to go in the straight road; it 's want and wretchedness that leads them into the crooked paths, you may take my word for it.'"

Precisely in the same style—mingling gravity with quaintness, ludicrousness with pathos, simplicity with sound precepts—does the author treat all his other subjects. The story of the three giants, Aquafluentes, Ventosus, and Vaporoso, contains one of the best morals that ever was embodied in a work appealing so strongly as this does to the imagination, the understanding, and the heart; it ought to be studied by every woman that has children, and be made a nursery theme throughout the land. But pass we on to the chapter touching emigration to the new world, where, by way of setting forth the advantages possessed by our own country over the old world, a very important question is started and debated, as to whether poor English mechanics and artisans had not better sell off their tools, avail themselves of the supposed benefits offered to them by emigration, come over to America, and turn farmers. The chances against the possible success of such a scheme, are dwelt upon with great skill and logical acuteness, and altogether the discussion is highly interesting. The subject is one of the utmost importance to mankind, as an opinion, founded on ignorance and inexperience, has too long prevailed among this class of men, that agriculture can always prosper, without the assistance of either commerce or manufactures.

There are some instances of nations peculiarly situated which have flourished by means of commerce without agriculture; there are also a very few examples of manufactures flourishing among a people who could have little dependence on the produce of the soil; but there is not among all the records of past ages, a single proof of a people who have enjoyed for any length of time a spirited agriculture, without the aid of commerce, or manufactures, or both. How is it possible that it should be otherwise; for without commerce or arts, what inducement has the farmer to cultivate the soil? In this case every man would only wish to rear as much as is sufficient for his own sustenance and no more; so that if the soil could afford a hundred times the produce that is sufficient for them, it will be allowed to remain an uncultivated waste. And if, in that country, any man should be so foolish as to rear large crops, what would it benefit him? Every man has enough for his own subsistence, so that he wants none of that superfluous produce. It must therefore be suffered to perish without being any use at all to the owner.

For this reason, a nation peopled only by farmers, must be a region of indolence and misery. If the soil is naturally fertile, little labor will produce abundance; but for want of exercise, even that little labor will be burthensome and often neglected; want will be felt in the midst of abundance, and the human mind be abased nearly to the same degree with the beasts that graze the field. If the region is more barren, the inhabitants will be obliged to become somewhat more industrious, and therefore more happy. But miserable at best must be the happiness of such a people.

Those, therefore, who wish to make agriculture flourish in any country, can have no hope of succeeding in the attempt, but by bringing commerce and manufactures to her aid; which, by taking from the farmer his superfluous produce, gives spirit to his operations, and life and activity to his mind. Without this stimulus to activity, in vain do we use arguments to rouse the sluggish inhabitants—in vain do we discover that the earth is capable of producing the most luxuriant harvests with little labor;—our own abundant crops are produced as undeniable proofs of this in vain. But place a manufacturer in the neighborhood, who will buy every little article that the farmer can bring to market, and he will soon become industrious. The most barren fields will then become covered with some useful produce. Instead of listless vagabonds, unfit for any service, the country will abound with a hardy and robust race of men, fit for every valuable purpose; and the voice of festivity and joy be heard in every corner, instead of the groans of misery, and the sighs of discontent.

The chapter on corn laws places in a very striking point of view the insurmountable difficulties of the subject, and shows that the barrier, which at present exists against the establishment of a better order of things in England, cannot easily be removed. John Hopkins complains to one farmer Stubbs, of the hardship of being forced to pay so much for bread, that farmers may make profit, whilst if corn could be had from foreign parts, where it is cheaper than in England, he, and those similarly situated, would be so much better off.

"'Oh, that's what you 're after,' cried Stübbs, with a shrug: 'and so you would ruin the farmers of your own country, would you, to make the fortunes of your outlandish French Jackanapes. Well, I thought better of you than that comes to'—'don't fly off in such a huff, Master Stubbs,' said John. 'God knows, I have no wish to ruin you or any other farmer; nor was I for caring about making the fortunes of foreigners: what I was thinking of, was, how to get bread cheapest for my own children; and every poor man has a right to think about that; and what's more, it is his duty too.' 'Well; but you will not persuade me that the squire told you that it was good for the country to get corn from foreign parts, unless it be in times of scarcity, when the price is very high; and then, you know, the law allows it; for it don't hurt the farmer. But as for making a free corn trade at all times, as some folks talk of, why, our landlord knows his interest too well to dream of such a thing.'

"'And why should not the poor look to their own interest as well as the rich?' said Hopkins: 'and if corn coming from foreign parts would make bread cheaper, why should they not say that the law of the land ought to allow it, and have an eye to their good as well as that of the landholder?' 'You may think, and you may say, what you please,' cried Stubbs, 'but let me tell you, that as long as the landholders make the laws, they will not be such fools as to make a law to undo themselves. Ask a man to cut his own throat? why, it's sheer nonsense!'"

That's the rub: the landholders will not cut their own throats, and meanwhile a vast population is made to suffer all the evils and inconveniences arising from a pernicious system of monopoly and favoritism; and it is by thus encouraging misguided men in standing by the extreme abuses of a worn out system, that England expects that society shall be tranquillized, and the "spirit of the movement" rebuked. But, however great may be the evils occasioned by the actual state of the English laws, we are far from demanding a sudden or a radical change; such a shock would too much endanger individual fortunes. In every state that dates not from yesterday, a certain number of circumstances must necessarily be found peculiar to it, which should be taken into account, in the application of social and economic principles. What, we ask, is a gradual amelioration—a progressive liberty? He who possesses a grove of trees badly planted, would be deprived of shade, if he were to cut them down at once; but if, little by little, he replaces the old plantation with one better designed, he ends with possessing a beautiful grove, without beginning with a desert.

Some writers in England have lately made an attempt to hold up the Gospel as the remedy of all social evils! But such men must be strangely ignorant of the purposes for which the Gospel was given, and what it is that the evangelists have thought. Social evils may arise from political institutions, from commercial regulations, from the state of the currency, from the pressure of taxation, from a thousand causes wholly unconnected with religion or morals; and the Gospel was no more designed to supply a remedy for these, than for the diseases of the human body. The Hutchinsonians who sought a system of physic in the Pentateuch—the Levellers who proposed to base English law on Leviticus, were wise men compared with him who makes such a proposition. The Gospels offer a remedy for the evils in the individual, not for those arising from the state of society, else they would have laid down the principles of a political institution; but this was expressly disclaimed by the Great Author of Christianity, who declared, "My kingdom is not of this world."

It is fortunate that that great body corporate, styled a nation—a vast assemblage of human beings, knit together by laws and arts and customs—by the necessities of the present and the memory of the past—offers in this country, through these its vigorous and enduring members, a more substantial and healthy frame-work than falls to the lot of other nations. Our stout-built constitution throws off with more facility and safety those crude and dangerous humors which must at times arise in all human communities. We are preserved from those reckless and tempestuous sallies that in other countries, like a whirlwind, topple down in an instant an ancient crown, or sweep away an illustrious aristocracy. And this very constitution, which has secured order, has consequently promoted civilization; and the almost unbroken tide of progressive amelioration has made us the freest, and may yet make us the wealthiest and most refined society of modern ages. But still, the condition of the peasantry and the laboring population is yet strongly susceptible of improvement. A vigorous investigation of the evils is the best means of discovering remedies: a good physician begins by inquiring into the nature of the disease, a quack by compounding nostrums. Above all things we deprecate angry controversy, violence, and invective, in so important a discussion; and to the consideration of all who write or speak upon the subject, we recommend an aphorism of the late Bishop of Limerick —"He who appeals to the passions of his countrymen, is their worst enemy; he who appeals to their affections, is their best friend."

It has been jusly observed, that the picture of the man who draws from the stern reality of nature, has a fearful extent of application—the details indeed individualize the delineation, but the outlines belong to the invariable and unvaried laws of humanity and society. The simple pathos with which Bailie Nicol Jarvie details by what means Rob Roy was changed from an enterprising grazier into a daring leader of banditti, has never been praised proportionately to its merits, because amongst us no such scenes have been exhibited; but in Ireland, for instance, where rustic insurrections are as fixedly periodical as the return of the comets, the passage will be recognised as a description equally powerful and true of occurrences that are matters of daily observation.

But the "Northern magician" himself, has hardly produced a more faithful portraiture of life and manners, than the little book of Mr. John Hopkins contains; it records not a single incident which our eyes have not witnessed; and our ears have heard the exact words the peasants have used in expressing their anxiety and concern. But of what avail will this exposure of ills be, unless the people set about the task of removing them, themselves? The lazy countryman calling on Hercules, instead of putting his own shoulders to the wheel, but faintly typifies the folly of those who call on government to effect a moral or a political revolution. They rather resemble Hercules, sitting with his hands in his pocket, a pipe in his mouth, and a jug of whisky punch beside him, entreating a pigmy to cleanse the Augean stables.

That the science of political economy is about to undergo a great change, is manifest to all acquainted with its history. Like chemistry, it originated in visionary schemes, proposed by theoretic philosophers; but as experimentalists succeeded the old alchemists, so have practical observers taken the place of the speculative economists. The parallel might be carried farther, because the course of all sciences based on observation and experiment is nearly the same. To show how far political economy has advanced towards becoming a perfect science, we need only observe, that abstract science is, by its nature, incapable of moving any passion or exciting any feeling; there is not an appeal to the heart or the affections, in all the books of Euclid. Now, do we find the Malthusian controversy thus dispassionately conducted? far from it;—the partisans of Malthus and Sadler appeal to our sympathies, our passions, and our prejudices, more than to our judgment, thereby tacitly confessing that their science is not sufficiently certain to be entrusted to the decision of reason alone. The fact is, what has above all contributed to render political economy, even at the present hour, a sort of vague science, without any stable foundation, is, that all those who have touched upon economic questions have brought to the discussion, desires, moral sentiments, views of amelioration, and notions of perfectibility.

It is always the sign of an unnatural or transitional state of society, when inquirers show a restless anxiety about the tendency of a truth, and desire to learn its practical result before they venture to develope the truth itself. Thus the Newtonian system of the universe was in some countries proscribed,—not with reference to its truth or falsehood, but to its supposed bearing on the authority of Scripture; in this instance, the tendency was misunderstood; and in the case of most other truths, the anticipated dangers will be found similarly to vanish. Another error of the economists, is their loose and inaccurate use of terms, and a perversely inaccurate classification;—take, for instance, the words *consumers, producers, laboring class, unproductive class, etc.*

With respect to the unproductive or idle class, we know nobody to whom the name is applicable but the parish paupers in England. But suppose the most voluptuous rich man, living in pomp and luxury, spending in idle ornaments the vast rents raised by the laborers on his estates—his education cannot have been wholly null; the word of advice which he carelessly lets fall to his inferiors,—the caprice which demands some new commodity, destined hereafter to become an article of extensive commerce—these and similar matters contribute to the prosperity of his country. If he encourages artists,—if his treasures are expended in promoting industry, does not this rich man, whom you despise and stigmatize as idle, pay back, in many instances, the debt he contracts all his life with his fellow-citizens, by whose labor he is supported?

In short, the economists have paid too much attention to modern statistics, and too little to ancient history: statistics only furnish us with partial facts in an incomplete form, and necessarily leave us ignorant of modifying circumstances. Observation in political economy must be as rigidly conducted as experiments in chemistry, before it can assume the substance and form of a certain science.

ART. V.—CULTURE AND COMMERCE OF SILK.

To the Editor of the Merchants' Magazine:

THE mercantile and commercial importance of silk, may render the following brief commentary on its past and prospective culture, manufacture, and commercial transportation, an appropriate subject for insertion in the Merchants' Magazine. It was read before the American Institute, for whom it was prepared, pursuant to request of the legislature of Kentucky, through the Hon. C. A. Wickliffe, lieutenant, and acting governor of that state, and his excellency, the governor of the state of New York. The resolutions calling for the information cover a wide range of inquiry, and the replies in consequence, embrace a synopsis of the silk culture and silk trade of the states: as my practical acquaintance with the subject is limited to four or five years only, a part is necessarily drawn from history and tradition.

The silk known in commerce is the produce of the silk worm, which, by Linnæus, ranks in fifth class of animals, and in Lepidoptera or third order of insects, genus *Phalena*, species *Bombyx*, variety *Mori*. It is a native of Asia, where, since a very remote period of time, it has been cultivated for its cocoon of silk that encloses the chrysalis or middle state of existence.

The silk worm was introduced into Europe early in the Christian era, and into the North American colonies early in the seventeenth century. Virginia, Georgia, and the Carolinas, were the first to engage in the silk culture, and raw silk formed an important integer in the total of their exports one hundred years ago.

Connecticut engaged in the silk culture about the year 1760, and about 1770 the people of the northern colonies (middle and eastern states) generally, were roused to a sense of the importance of silk in the domestic economy of the country. Dr. Franklin, and contemporaneous writers and philanthropists, urged the importance of a reeling establishment, which was erected at that time in Philadelphia, under the auspices of the Philosophical Society of Pennsylvania. In the summer and autumn of 1771, the reeling establishment or "filature," received two thousand and three hundred pounds of cocoons; six hundred pounds of which were reeled for the owners, and seventeen hundred pounds were purchased by the managers from the producers in Pennsylvania and New Jersey; the first named state furnishing about two thirds, and the latter about one third of the whole quantity. About ninety individuals furnished the cocoons, and in a list of their names and residences now before me, I find John Etwine, of Northampton county, Pa., furnished one hundred and ten pounds, being the largest quantity from any one person. At that period, and up to 1774, the colonial silk culture attained a rank of much importance; more on account of the large number of philanthropic individuals engaged and determined to persevere in it, than from the amount of silk produced in the aggregate; and it is *probable* that the impetus which the business then received, would in a few years, under ordinary circumstances, have given it a rank in amount of exports, of still greater importance. But extraordinary circumstances suddenly arrested all advances in the arts of peace. The inherent rights claimed by the colonies, and disputed by Great Britain, led to open hostilities; the conflict was long, obstinate, and deadly. On the return of peace, in 1783, poverty, and a want of the necessaries of life, pervaded the states. Of the former silk culture no vestige remained except in Connecticut, where, in one county, a little remote from the busy conflict, it continued and still continues to flourish and increase in magnitude and importance.

Up to 1812 the silk of Connecticut was principally manufactured into sewings. The raw silk employed for the manufacture of coach lace, tassels, and fringe, was imported at an average cost of about six dollars per pound. The war between Great Britain and the States cut off the supplies, and in 1814–15, raw silk rose to thirty dollars per pound. A gentleman of Newark, N. J., at that time employing about twenty hands in the manufacture of coach lace, informs me that he obtained his supply of "Floss Silk" (raw silk freed from the natural gum) from Mansfield, Conn., and the quality, both in strength and lustre, was "much superior to the best imported silk." Since the peace of 1815, the manufacture of "Tuscan" for hats, has materially increased the consumption of raw silk in the States, and the supplies are mostly drawn from abroad; a part coming direct from ports to the eastward of the Cape of Good Hope, and the remainder from the European Continent, by the way of England, where it is *not* cultivated, but is manufactured to an amount of many millions of dollars annually. From the commencement to the first quarter of the present century, occasional articles through the periodical press drew the attention of many to the importance of commencing or extending the silk culture. The subject was discussed in the national legislature, a voluminous report made to, and a manual on silk culture issued by the Congress in 1826. The subject was also discussed in the state legislatures, and Massachusetts, as usual, was among the first to act in the patriotic work; in 1831 the legislature appropriated six hundred dollars to compile and print a manual on the culture of silk, for distribution in the city of Boston, and in every town in the commonwealth. The work, by order of the governor, was prepared by J. H. Cobb, Esq., of Dedham, Mass.; it is known by the name of "Cobb's Manual," and is published by Carter, Hendee, and Co., Boston. As a manual on silk culture, it is by far the best that I ever saw, and intrinsically worth more than all the other "books and pamphlets" on the subject, that have been issued from the European or American press; it treats the subject in a plain common sense style, is concise, has less than one hundred pages, 12mo., contains full and ample information, can be read in one evening, and from its perusal all persons of ordinary intelligence may be fully competent to manage the culture and reeling of silk. The book also contains some *erroneous calculations* on the *profits* of silk culture, and it is to be regretted that a work otherwise so accurate and useful should have contained such extravagant *over-estimates* of the quantity of silk that can be produced on an acre, and the profit to be derived from it; such calculations are however mostly quoted by Mr. Cobb from some other author, and among them it is not uncommon to estimate from an acre of trees, 500 or 600 pounds of silk; an amount at least seven times greater than was ever produced from an English acre, under any circumstances, in any climate or country. The Massachusetts Legislature passed an act to encourage the silk culture in 1835, and repealed it by a new act in 1836, giving a bounty of 10 cents per pound for cocoons, and one dollar per pound for raw silk made in the state.

The Legislature of Connecticut in 1832 passed an act granting a bounty of one dollar for every 100 mulberry trees transplanted, and fifty cents per pound for all "reeled" (raw silk) made in the state; this act was repealed in the winter of 1838–9.

Maine in 1836, by legislative enactment, gives a bounty of five cents per pound for cocoons, and fifty cents per pound for raw silk made in the state. Vermont gives, by enactment of the legislature, a bounty of ten cents per pound for cocoons; and New Jersey in 1836 enacted that for five years cocoons raised in the state should receive a bounty of fifteen cents per pound; the act "excepted bodies corporate and politic," and was repealed the following year. Acts similar to the foregoing were passed by other legislatures about that time, and many stock companies were incorporated for the manufacture of silk. The country was prosperous beyond any former precedent; and in one year (1836) the importations of silk (mostly manufactured goods) amounted to twenty two millions of dollars; more than twofold greater than the average importation of the same article in former years; other circumstances also assisted to render the present a very memorable epoch in the history of silk in America. The legislative bounties, incorporations of manufacturing companies, and general prosperity, raised up a new branch of the trade, inappropriately named the "Silk business." It consisted of the growing, purchasing, and selling of mulberry trees; fancy and captivating names were given to new varieties of old species; and different individuals and periodicals were urgent in claiming superior excellence for some favorite species or variety. From various causes the "*Morus Multicaulis*" (inferior to most other kinds for the silk culture) took precedence of all others in the "Silk business," so called. Trees of one year's growth, which could be raised for one or two cents, were sold for one or two dollars each; and the sales amounted to several millions of dollars. To satisfy the demand many thousand were imported, and like the Holland "Tulip business," sales to the amount of many thousand dollars were made for trees *to be* delivered in six months or a year. Other species and varieties of mulberry trees sunk into comparative insignificance. The *Morus Alba*, (common white mulberry,) universally esteemed one of the best for feeding silk worms, could not be sold for one cent, or the price of transporting a few miles.

The individuals engaged in the new "Silk business" had generally little or no connection with the silk culture, and from a want of information on the subject, may have honestly assisted to increase the demand for some particular kind of which they had the largest quantity for sale. Most of the purchases were made by persons engaging in the *same business*, and so extravagant were the estimates of profit, that for each thousand dollars invested in Multicaulis the past spring, even at the then high prices, it was generally supposed that fifty thousand dollars could be realized by the sale of the increased buds in the autumn of 1839. A mulberry tree called "Sharp's Variety," exhibited at the annual fair of the American Institute, in October last, was represented to be a scion of a seedling raised by Mr. Sharp, who sold his interest in one half of *the* parent tree for *ten thousand dollars!* This new "Silk business" has probably reached its acme. There is now a sufficient stock of mulberry trees in the states, to supply all the silk culturists on the continents of Europe and America for the remainder of the nineteenth century, and "Silk business" men do not seem to increase in a ratio with trees; for the Morus Multicaulis are now offered in great abundance, and find no buyers "at three cents per tree, healthy and well branched;" a just estimate of their probable value in the autumn of 1840, I think would not exceed three dollars per cart load. For on the present decline of the new "Silk business," the demand for trees to supply the silk culture, can never be sensibly felt, as no prudent culturist will ever spend more than five or ten dollars for a full and ample stock of any or every species, which will increase in foliage as fast as he will find hands to gather them, or accommodations for the valuable insect that is to consume them. All philanthropic silk culturists ever have, and still continue to make presents of trees, in sufficient quantities for commencing the silk culture, to all persons who apply for them. I have had no commerce in trees, but have derived much pleasure from contributing, and am always happy to contribute *gratis* one tree of each and every known species of mulberry, to every applicant who is desirous of commencing the silk culture. Five or six trees multiplied by cuttings or layers will the first year produce five or six hundred trees, and be amply sufficient for commencing this useful branch of domestic economy.

The joint stock companies created within the last eight years for the manufacture of silk, struggled for a while under the natural burden of difference in price between the labor of the States and of Europe, and against the unnatural obstructions heaped on by our own government, in taxing the raw material coming from the eastward of the Cape of Good Hope, a duty of ten per cent., while all the silk manufacturers of Europe, who obtained much of the raw material from the same source as ourselves, at a cost materially less, were permitted by the "French indemnity treaty" to crowd our market with manufactured silks, free of duty. The result was disastrous to the American silk manufacturers; all or nearly all became bankrupt and ceased operations. The history of a few may serve for a history of the whole.

The "Atlantic Silk Company" at Nantucket commenced manufacturing with a capital of $40,000, which is all lost, and the company have ceased operations.

The "Valentine Silk Company" of Providence, R. I., lost $20,000 by manufacturing; they have ceased operations and probably ceased to exist.

The "Poughkeepsie Silk Company" lost all which they risked in manufacturing, and their large four story building erected for that purpose, is now rented to others for the manufacture of pins, buttons and carpets.

The "Northampton Silk Company," at Northampton, Mass., commenced operations with a cash capital of $80,000; they injudiciously added to their manufactures the culture of silk, which they have since abandoned, and which never can be profitably conducted by incorporated companies with high salaried agents. They also went largely into the *new* "Silk business," but in that branch they were not fortunate in the selection of attractive names for their trees; for at the present time, after five years' struggle with their combined operations, they have sunk the original capital, and are besides $40,000 in debt.

Amidst all the trials and vicissitudes of the last fifty years, the legitimate silk culture, like some bright star in a troubled atmosphere, has moved steadily onward, ever shining through the mist of doubt that bedimmed the space between promise and hope. The germ which eighty years since commenced in Connecticut, passed unscathed through the time and form of chrysalis which "tried even men's souls," and is now an insect, winged and perfect; multiplying its species and usefulness in building a tower which can resist the combined opposition of overreaching diplomacy from without, and misguided legislation from within. Silk is now cultivated in twelve or fifteen states of the union. The quantity produced is yet small, probably not exceeding 20,000 lbs., of which Connecticut furnishes a very large proportion. In most districts the business is new, and those engaged in it are laying the foundation for a much greater yield. The climate, from our southern border up to forty-two or forty-four degrees north latitude, is in all respects suitable for the silk culture. As an auxiliary branch of farming, the feeding of silk worms is as profitable as the feeding of poultry; and the silk will find as quick and ready a market as poultry. Both are deemed indispensable to the comfort of society, and will be consumed at any price. Both are profitable when cultivated as collateral branches by the farmer, and both, or either one, when raised as an exclusive business are *not* profitable, but ruinous, even at the lowest rates of labor in this country. With the long-tried experience of Europe, and the low price of labor in that country, the whole continent does not furnish an instance of profitable silk culture conducted exclusively for that business. No establishments are there erected, or stock companies created to make silk, but silk worms are fed and millions of dollars worth of silk is annually made at a good profit, by the peasants and farmers; who in connection with their other employments, feed as many silk worms as will occupy the spare room in the dwelling and out houses.

The reeling of silk (making raw silk) has hitherto been connected with the silk culture in the states, and generally the same families that raised the cocoons, have often not only reeled but also twisted it into sewings. For family use, "Dale's" is probably the best reel; it is the most simple in construction, and costs three and a half or four dollars. There is, however, very little difference in the merits of the numerous silk reels; the preference is always in favor of the cheapest; the high prices are caused by a studied complication, which never improved but always lessened its merits. Raw silk can be most advantageously made in "filatures," or reeling establishments confined exclusively to that branch of the business. The silk manufacturers always require their raw silk to be of even thickness, with some definite number of fibres to each thread, and large quantities of each size. The "filatures" alone can furnish such requirements; for each family can raise only from five to fifty pounds annually, and when different hands conduct the reeling, it is difficult to find two parcels of equal number of fibres or of equal thickness. The raw silk in bales of two hundred or four hundred pounds, always commands the highest price in European markets.

The silk culture is simple and a suitable employment for children. For my views on that part of the subject, I beg to quote from a former communication which I had the honor to furnish in February, 1838, in answer to a circular from the committee on agriculture in the House of Representatives of the United States. It is embodied in the printed documents of that session, and therefore only the part particularly relative to this branch of the subject need be inserted here.

Extract from Report No. 815, *House of Reps.*, *25th Congress, 2d Session.*

"What kind of soil, and what situation and exposure, are the best for the production of the mulberry?"

A rich, light, sandy soil, is the best for the mulberry, though it will thrive well on any soil which is not wholly silicious, like the immediate border on our Atlantic coast. Next to pure silex, the soil least adapted to the mulberry is that purely argillaceous, or compact and hardened clay. Gently rising ground, or a moderate eminence, open to the full action of the sun, is the best situation, and south is the best exposure.

"What species of the mulberry is the most valuable, taking into consideration the capability of enduring cold and frost, the quantity and quality of the foliage, and the labor of culture and stripping?"

Taking into consideration all those properties, the Brussa mulberry is the best species for feeding the silk worm. I wish, however, to be understood, that by Brussa I do not mean all those various kinds which are sold under that name; but I have a direct reference to the tree or trees which Mr. Charles Rhind brought from Brussa to this country. I would remark that species is a very indefinite term to designate the most valuable mulberry, because among the many millions of trees from the seeds of each species, there are not two trees equally valuable or perfectly alike; each individual tree (considered as food for the silk worm) forms a distinct variety, differing as much from each other as each individual of the human race differs from all other individuals of the same species, or as much as the fruit of one individual tree differs from the fruit of all other individual trees, raised from seed of the same species. Mulberry trees which produce leaves perfectly alike to the delicate taste of the silk worm, must be not only of the same species, but also scions of the same parent stock, produced by cuttings inserted in the soil, or by inoculation or ingrafting. I would further remark, that the seeds from each and every species of mulberry, furnish some individual trees which are not suitable food for the silk worm; and further, that the seeds from nearly every species of mulberry furnish some individual trees which are good and valuable food for that insect; hence, the best method to produce a good mulberry orchard, is to select one tree possessing all the desirable properties, and multiply it by cuttings. By this method a good and valuable mulberry orchard may be made from the indigenous trees of this country. The species native black mulberry furnishes some individual trees which are, in every respect, good and valuable food for the silk worm. The native black mulberry is equal, in quality, to the best in the world; the leaf is generally *smaller* than the Brussa, and is therefore inferior in quantity, because one hundred pounds of large leaves can be stripped at less expense than the same weight of small leaves.

"What is the best mode of cultivating the mulberry? at what age may it be stripped, and what is its value, expense, and profit per acre?"

The nursery should have a southern and eastern exposure, a rich, light soil, and the seeds (when *new* varieties are wanted) should be sown in rows three feet apart. When a particular variety is wanted, the particular tree which is to be multiplied must be cut in short lengths, leaving three eyes on each piece, and planted one foot distant, in rows three feet apart, leaving only one eye above the ground. The best time for this operation is in the spring, when the buds have swelled almost to bursting. The best time for transplanting is very early in the spring, as soon as the ground is free from frost; this should be done when the seedlings and cuttings are one year old. The open ground to receive the young trees should be made mellow one foot deeper than the length of the roots, and the top of every tree should be cut off, so as to leave only three or four eyes above the root. The tops will form cuttings for the nursery, while at the same time the health and growth of the trees will be much benefitted by the operation. Trees thus treated, may be stripped the second year after they are transplanted, and would cost, standing in the nursery, about one cent each; the transplanting can be done for four cents more, making five cents for each tree standing in its permanent place. The "profit per acre," depends on many contingencies, such as cost of land, cost of labor to gather leaves, cost of building to shelter worms, etc.; in relation to which, I would remark: First, any number of acres appropriated *exclusively* to the growth of mulberry and culture of silk, provided the building is appropriated *exclusively* to the worms, will *not* afford any profit, because the gross amount of silk thus raised, will *not* (after deducting a just estimate for labor,) pay a reasonable interest on money invested for trees, land and buildings. Secondly, every farmer in the states, south of forty-five degrees north latitude, can raise from one hundred to three hundred dollars worth of cocoons in the *spare room* of an ordinary barn and dwelling; and this would be *all profit*, if the silk is considered, like poultry, a collateral branch of farming.

"Which is the most valuable species of the silk worm? What is the best mode and time for their propagation; the quantity, quality, value of, and market for, the cocoons?"

The species *bombyx*, of Linnæus, comprehends *many* varieties of the most valuable silk worm, among which is the Asiatic, (*mori*,) divided into *many* sub-varieties, and distinguised only by the color, shape, and weight of their cocoons. Their relative value may be expressed thus: by Linnæus, genus phalena, species bombyx, variety mori.

SUB-VARIETIES.

White cocoon—peanut shape, compact, and reels well; six and a half grains of pure silk; most valuable for this country, because it gives the greatest quantity of good silk.

Bright yellow cocoon—egg shape; four to five grains of pure silk; lustrous; cultivated in Connecticut for more than half a century; reels bad, and therefore of less value.

Pale yellow cocoon—peanut shape, compact, reels well; three to three and a half grains pure silk, very soft; receives best dye; is much cultivated in Europe.

Golden yellow cocoon—peanut shape, very compact, reels best; two and a half to three grains pure silk, very lustrous and strong; much cultivated in Spain; is best for fine white ribands. The coloring matter in all the cocoons is contained in the natural gum, which can be removed by boiling in soft water, leaving the silk white and lustrous.

There are four varieties of silk worm indigenous to the United States, and not found in any other part of the world. They make a large quantity of course, strong silk, which can be used at present only by carding. Education may cause these worms to spin in a form suitable for reeling, when the largest kind (cecropia) would, for many domestic purposes, become very valuable to this country. Their relative value may be expressed thus:

SATURNIA OF SCHR.

Cecropia—feeds on elder; cocoon, nineteen grains pure silk.

Polyphemus—feeds on scrub oak; cocoon, fourteen grains pure silk.

Luna—feeds on acacia, (locust,) cocoon, eleven grains pure silk.

Pomethea—feeds on sycamore, (button ball,) cocoon, nine grains pure silk.

The best mode and time for the propagation of the Asiatic silk worm, (mori,) is, to expose the eggs to hatch, for a few hours in a paper box, near a fire; feed the worms regularly three times per day; admit air freely, and remove the filth at least once a week. At about the fortieth day they will commence winding, and in four days more they will have finished the cocoons, when those for reeling should be put in the oven, to remain half an hour, (after having drawn the bread,) to kill the chrysalis; those for seed should be placed, uncovered, in a dark room, on paper, where the perfect insect (moth,) will come forth in twenty days, to cohabit, deposit eggs and die in eight days more. The eggs should be left adhering to the paper, rolled up and placed in a dry, cool, and dark place until wanted to hatch for the following season. The extreme cold of this climate will not injure the eggs. Dampness and the direct rays of the sun are very injurious to the eggs and worms in all their stages. The time for hatching is best when the trees first put forth leaves. Each worm spins one cocoon, and each female moth deposits about seven hundred eggs. Allowing the sexes equal, one hundred moths would give an increase of thirty-five thousand worms. "The quality and value of cocoons" are given in preceding remarks. A good market for cocoons is found at silk manufactories, which are already sufficiently numerous for the quantity of silk grown in this country. A more suitable market would be an establishment *exclusively* for reeling. Such an establishment does not exist in the states; but it is probable that interest will induce individuals to erect them as soon and as fast as cocoons can be raised to supply them.

Since writing the foregoing, experience has increased the favorable opinion therein expressed in regard to the native black mulberry. The best Italian sewings are made from worms fed on the black mulberry of Calabria. Mr. Caldwell, of Clark county, Virginia, sent me two bushels of cocoons, from worms which he fed entirely on the native black mulberry. I exhibited them at the fair of the American Institute in October last, where a part of them were reeled and twisted into sewings by Mrs. Brooks, a very intelligent and skillful lady from Massachusetts. She has four years practical acquaintance with silk reeling, and she remarked that these cocoons from the black mulberry made the *strongest silk that she ever saw*, and considered it *superior to all others for sewings*. There is not much difference in the silk made from the different species of mulberries, when the compared specimens of produce are all by the *same sub-variety of worm*. Generally, all silk worms will make the strongest and most lustrous silk from the most hardy and tough species or varieties of mulberry; and the mulberries most tender and perishable afford silk of the least strength and lustre. Hence, if strong and lustrous silk is preferred, then the *black*, the *Brussa*, and the *common white* are the *best* mulberries for the silk culture. And the *Alpine*, the *multicaulis*, the *Chinese*, and many similar varieties are best for producing a comparatively dull and weak fibred silk. The silk made from the morus multicaulis much resembles cotton in strength of fibre.

The black mulberry is also known to be a very superior timber. A few facts that have come to my knowledge may not be inappropriate here. The schooner Union, built at Lodi, N. J., about forty three years ago, had a large portion of her upper timbers and most of the trunnels of native black mulberry. In fourteen years afterwards she was overhauled, when her deck planks of Georgia pitch pine were much decayed; the white oak futtocks were completely destroyed by rot, and the white oak timbers and bottom plank were much decayed, while every timber and trunnel of black mulberry was perfectly sound. She beached and stranded during a severe gale near the mouth of the Delaware, after a constant service of more than twenty years; and at no time from her launch until her wreck was there any perceptible sign of decay in the mulberry, although the trunnels of this wood were driven into the upper futtocks, where (in common with the upper timbers) decay always commences first in vessels of her class. The black mulberry used in her frame measured from sixteen to eighteen inches across the butt. The sloop Highlander, built near Belleville, N. J., more than thirty years ago, is now running on the Passaic and Hudson rivers. All her upper timbers and most of the upper futtocks are mulberry, principally white; and although more than thirty years have elapsed since her launch, yet no sign of decay has ever appeared in the mulberry employed in her frame, while some of her white oak timbers have long since crumbled from the spikes. Mr. Cornelius Kingsland, a highly respectable and intelligent shipwright, who built the Highlander, informs me that he has built as many as thirty vessels, in a large number of which he employed native black mulberry, and from long experience is convinced that for durability and strength it is superior to white oak, chesnut, cedar, wild cherry, red elm, or locust.

I am aware that some fastidious gentlemen contend that there is no black mulberry in the states; such opinions are founded on the fact that Linnæus speaks of red (*rubra*) only in America. Names are given to *facilitate* science; and when we have trees bearing pleasant fruit it is very *convenient* to designate them with specific names. We *have* an indigenous tree bearing black mulberries, and it *is* by *general consent* called "*black mulberry*," notwithstanding Linnæus and his followers may insist that it is "*rubra*."

Silk forms a very large integer in the trade and commerce of nations. The natural advantages of the states are favorable to participation in a full share of its culture, manufacture, or commercial transportation; but foreign treaties and internal legislation have not placed this country "on a footing with the most favored nations." It is not my business or intention here to discuss the issue of "free" or "restricted trade," but I deem it within my province to notice some apparent inconsistencies, which, (although they have a controlling influence in the American silk trade,) cannot be reconciled to any known system of policy or political economy. Manufactured silk, except sewings, from all Europe, are permitted to enter our ports "free," and the present distress in the country tells a startling tale of the very *free use* made of the privilege by foreign artisans and foreign ships. While our own manufactures are restricted by a duty of ten per cent. from beyond the Cape, and twelve per cent. from Europe, on the raw material, which was to employ and support this important handicraft. The *same causes* which restricted the handicraft, also restricted the "carrying trade" in "American bottoms."

A gentleman of Boston, an enlightened and intelligent traveller, and long a resident of Canton, has furnished me with full and complete returns of the export silk trade of China, from 1831 to 1838, inclusive; and the facts therein show that of the raw silk annually exported from Canton, only about one hundred and fifty piculs are shipped to America, in American vessels; while the large quantity of nine thousand piculs are sent to England, in English ships, on English account. It is then manufactured in Europe, and sent mostly in European bottoms to enter the American market "duty free!"

I regret that the nature of this communication will not permit giving the valuable details furnished me of the China silk trade, but the export of raw silk from Canton, for a few years, may serve to illustrate the tendency of all the Asiatic raw silk trade from ports beyond the Cape of Good Hope.

EXPORTS OF RAW SILK FROM CANTON.

	To America in American ships.	*To England in English ships.*	*To England in American ships.*
1832–3	144 Piculs.	6,651 Piculs.	None.
1833–4	210 "	9,836 "	80 Piculs.
1834–5	13 "	10,000 "	None.
1835–6	225 "	9,276 "	None.

The Chinese picul is equal to one hundred and thirty three and a third avoirdupois pounds. The prices of raw silk at Canton in 1832–3, were for "Nankins," $351 per picul, "Canton," $255, and "Common quality," $58.

Under the existing regulations of manufactured silks, an import duty, whether of ten, or ten thousand per cent. on raw silk, can have no influence to encourage or depress the silk culture of the states. This may seem paradoxical, but the elucidation is simple and easily understood. The silk culture is the producing of raw silk. Raw silk has no value, except that arising from its use in "silk manufactures." The comparative price of manufacturing labor, enables Europe to make "silk manufactures" much cheaper than they can be made in the states, and by the existing ("free") regulations, Europe can and does supply our market with "silk manufactures" at prices that prevent the possibility of competition by our own manufacturing establishments, which must cease operations and leave the value of raw silk to be regulated by its use in silk manufactures of Europe, where an American import duty of ten or ten thousand per cent. cannot affect it. By the present tariff, the only manufactured silk chargeable with duty, from Europe, is the sewings, which pay 28 per cent., and which enables American manufacturers to compete with the European sewings in our market. This at present consumes nearly all the raw silk made in the states, and if an additional import duty was levied on sewings, or if an equal duty was levied on any or all other "silk manufactures" *required in the market*, then, and not till then, would a duty on raw silk have a controlling influence on the American Silk Culture.

Yours, etc. C. F. DURANT.

Jersey City, Dec. 13, 1839.

Art. VI.—SUGGESTIONS ON THE LAW OF AUCTIONS.

So numerous and diversified are the business relations of men, that in civilized societies there will always exist a necessity for the occasional employment of substitutes or agents. There are several kinds of commercial agencies recognised by law, and of frequent use; to all of them are attached peculiar responsibilities, a knowledge of which, though imperfect, is of importance to those engaged in any of the departments of industry. A common species of agency in mercantile communities, is that of *auctioneers*. Their duties to principals, to purchasers, and to the public, are oftentimes intricate; they are, in part, prescribed by the common law; in some instances, they are ascertained by an application of the enlarged principles of the civil law; in England and in this country, many of their rights and obligations, particularly their duties to the government, are the subject of special legislative enactment and regulation. It is proposed to present an outline or analysis of the two important statutes of New York upon the subject of auctions, and subsequently to give some of the leading legal .principles connected with the agency of auctioneers; in doing this, it is not intended to refer to the authorities from which those principles, or the language in which they are clothed, are extracted, as in articles prepared for popular use, such course is unnecessary.

An auctioneer is a person who is authorized to sell at public auction, for a commission. In the old English law, an auctioneer is sometimes called a *broker;* but now there is a marked difference between them; for instance, a broker may buy, as well as sell; an auctioneer, generally speaking, can only sell; a broker may sell at private sale; the auctioneer must sell at public vendue.

Sales by auction are of early institution. The most remarkable instance of such a sale, was the offer of the Roman soldiery, after the death of Pertinax, to dispose of the Roman world at public auction. Historians agree that the sale was by auction, though they do not concur in the opinion that it was proposed by the soldiers. Gibbon states that the purchase was made by Julian, A. D. 193, for upwards of two hundred pounds sterling to each soldier.

When a sale took place in Rome, a *spear* was fixed in the forum, by which stood a crier, who proclaimed the articles which were intended to be sold. A catalogue was made in tables, called *auctionariæ*. The seller was called *auctor;* the bidders, *sectores*, who signified their biddings by lifting up their fingers, and the highest bidder became the purchaser; the right of property conveyed to the purchaser, was called *auctoritas*. The custom of setting up a spear at an auction was derived from the circumstance, that at first only those things which were taken in war, were sold in this manner. Hence *hasta* (a spear) is put for a public sale; and *sub hastam venire*, to come under the spear, (or as we should say, to come under the hammer,) denotes to be publicly sold. This was termed *auctio*, increase; because the goods were sold to him, *qui plurimum rem augeret*. It was necessary to have permission from the magistrate for a sale.

At a later period, the purchase of goods cried and sold, was proclaimed by sound of trumpet. The use of the spear was continued; whence auctions were called *subhastationes*, and the auctioneer denominated *subhastator*.

The usual mode of conducting sales at auction in England and with us, need not be explained. The practice in Holland is this; an estate is put up at a high price, and if nobody accepts the offer, a lower is named, and so the sum first required is gradually reduced, till some person closes with the offer. Thus, of necessity, there is only one bidding. This kind of sale, by bidding downwards, is called a *Dutch auction*.

There is a kind of sale practised in England, which is called *selling by inch of candle*, which is thus conducted. Notice is usually given upon the exchange in writing, and elsewhere, when the sale is to begin, against which time the goods are divided into several parcels, called lots, and papers printed of the quantity of each, and of the conditions of sale, as that none shall bid less than a certain sum more than another had bid before. During the time of the bidding a small piece, about an inch, of wax candle is burning; and the last bidder, when the candle goes out, has the lot or parcel exposed to sale.

In some cases a price is put by the owner of the property to be sold, under a candlestick, and it is agreed that no bidding shall avail if not equal to that; this is called *dumb bidding*.

In the north of England, sales, where the several bidders do not know what the others have offered, are denominated *candlestick biddings*.

A very singular kind of sale is mentioned in 1 Dow. iii. The auctioneer was a female, who never spoke during the whole time of the sale, (one is tempted to doubt the accuracy of the reporter as to that matter,) but immediately after any person bid gave him a glass of brandy, and after the sale broke up, he that received the last glass of brandy was, in a private room, declared the purchaser. No "fifteen-gallon law" existed at that time!

We now give an analysis of the statute.

Any citizen of the state of New York may become an auctioneer, in the county in which he resides, on executing and depositing with the comptroller an approved bond in the penalty of ten thousand dollars, with sureties for the payment of the auction duties and the faithful performance of the duties of his office. The bond runs to the people of the state, and the sureties must be two sufficient freeholders; if the bond be executed by an auctioneer appointed in a city, it must be taken and approved by the mayor, or recorder, of such city; if executed by an auctioneer appointed for a county, by any judge of the county courts of such county. The officer taking the bond, must endorse upon it a certificate of his approbation, and of the day it was taken, and deliver it thus endorsed to the auctioneer, who within ten days thereafter must pass it to the comptroller. Every officer taking such bond, must transmit a notice to the comptroller without delay, stating the name of the auctioneer and his sureties entering into the bond, and the day it was executed and approved.

An express clause is inserted in the bond, subjecting the same to forfeiture, in case the obligor shall not render a true and accurate account quarterly of all goods sold or struck off by him, dated on the first days of April, July, October and January, in the year for which he is appointed.

Each account must state minutely and particularly—

1st. The sums for which any goods or effects were sold at every auction held by him, or in his behalf from the time of his entering into such bond, or the date of his last quaterly account.

2d. The days of sale, amount of each day's sale, designating sales made by himself or in his presence, and those made in his absence by a partner or clerk acting in his behalf, and specifying the causes of such absence.

3d. The amount of all private sales made by himself or any of his partners, on commission, and the days of such sales.

4th. The amount of duties chargeable under the provisions of law, in all the sales, public and private, mentioned in the account.

5. A distinct statement of all goods struck off, but not actually sold. On all goods so struck off, the auction duties must be paid.

Every such account, within twenty days after its date, must be exhibited, if made out by an auctioneer appointed in a city, to the mayor or recorder thereof; if by an auctioneer appointed for a county, to any judge of the county courts of such county. The account must be sworn to by the auctioneer; the oath must be reduced to writing, endorsed on the account, and be subscribed by the auctioneer taking it. Every partner of such auctioneer, and every clerk or other person whatever, in any way connected in business with such auctioneer, who shall have made any sale contained in said account, must make and subscribe an oath to be endorsed on the account, that he believes it to be a just and true account in every particular.

Every partner or clerk, who shall have made any sale in behalf of an auctioneer, must, in the account rendered by such auctioneer, set his name, or the initials thereof, opposite to each sale made by him, mentioned in such account; and make and subscribe an affidavit to be annexed to such account, stating that sales so noted are all the sales liable to auction duties, public or private, made by him within the time mentioned in the account, and that the account of such sales, so therein stated, is just and true; that such sales were made by him, in the absence of such auctioneer, who was unable to attend from the causes specified in his account; and that in all acts performed by him, in behalf of such auctioneer, during the time aforesaid, he had endeavored to conform to the intent and meaning of the laws regulating sales by auctioneers.

The auctioneer must pay the duties accrued on the sales mentioned in his account, together with the additional sum of two and one half per cent. on the whole amount of such duties, within ten days after the exhibition of his account, for the use of the state; and immediately after such payment, he must deliver or transmit his account, with the affidavits endorsed thereon, and annexed thereto, to the comptroller, to be filed in his office. Every such payment, if by an auctioneer appointed for any other place than the city of New York, must be made to the Treasurer of the State; and by every auctioneer in the city of New York, to such bank in the city, as shall be designated by the comptroller, as entitled to the state deposites by law; and the receipt of the proper officer of the bank must be taken therefor; which receipt, the auctioneer must immediately transmit to the comptroller, who shall certify thereupon, such payment to the treasurer, and charge him with the amount.

Every auctioneer, who within the period limited for his accounting, shall have made no sales, public or private, of property liable to auction duties, must make and subscribe an affidavit of those facts, before any officer to whom his account, had such sales been made by him, might have been exhibited, and must transmit a copy of such affidavit, certified by the officer taking it, to the comptroller within the same time that an account is required to be rendered. Every auctioneer, partner or clerk of an auctioneer, and every person whatever in any way connected in business with an auctioneer, who shall refuse or neglect to perform any act or duty, which are required by any of the provisions above recited, commencing with the requisition that he shall make out his quarterly account on the first days of April, July, &c., is subject to a penalty. And every such refusal or neglect by an auctioneer, shall be certified and published by the comptroller, in the state paper; and from the time of publication, the delinquent auctioneer therein named, shall be deemed to have forfeited his appointment, and shall be incapable of doing any act by virtue thereof.

All goods, wares and merchandise, and every other species of property, with the exceptions hereinafter mentioned, are subject each and every time they are struck off at public auction, within this state, to duties at the following rates:

1. All wines and ardent spirits, foreign or domestic, at the rate of two dollars in every hundred dollars.

2. All goods, wares, merchandise, and effects imported from any place beyond the Cape of Good Hope, and sold in packages, bales, trunks or casks, as imported, at the rate of one dollar on every hundred dollars.

3. All other goods, wares, merchandise, and effects, at the rate of one dollar and fifty cents on every hundred dollars. The duties are calculated on the sums for which the goods so exposed to sale shall be respectively struck off, and must in all cases be paid by the person making the sale.

All goods must be struck off to the highest bidder, and where the auctioneer or owner, or any person employed by them or either of them, shall be such bidder, they shall be subject to the same duties as if struck off to any other person; but this does not render valid any sale, that would otherwise be fraudulent and void. All articles except those to be hereafter mentioned, sold on commission by an auctioneer or clerk of an auctioneer, or by a person in any way connected in the auction business, or in auction sales with an auctioneer, whether at auction or private sale, are liable to the duties before enumerated.

No auction duties are payable upon the following goods and articles: ships and vessels; utensils of husbandry, horses, neat cattle, hogs and sheep; articles of the growth, produce or manufacture of this state, except distilled spirits; all fabrics of cotton, wool, hemp and flax, manufactured within the jurisdiction of the United States; goods and chattels otherwise liable to the auction duties are exempt therefrom, if sold under the following circumstances:

1st. If they belong to the United States or to this state.

2d. If sold under any judgment or decree of any court of law or equity, or under a seizure by any public officer, for or on account of any forfeiture or penalty, or under a distress for rent.

3d. If they belong to the estate of a deceased person and be sold by his executors or administrators, or by any other person duly authorized by a surrogate.

4th. If they are the effects of a bankrupt or insolvent, and be sold by his assignees appointed pursuant to law, or by a general assignment for the benefit of all the creditors of such bankrupt or insolvent.

5th. If they are goods damaged at sea, and be sold within twenty days after they shall have been landed, for the benefit of the owners or insurers.

All sales at public auction in the city of New York, not under the authority of the United States, and all such sales in other parts of the state, where duties are payable on the effects to be sold, must be made by an auctioneer who shall have given the security required, as was herein-before mentioned, or by a co-partner or clerk of an auctioneer duly authorized under the provisions of law; but where no duties are payable, all such sales except in the city of New York, may be made by any citizen of the state.

When an auctioneer cannot attend an auction by reason of sickness, by duty as a fireman, by military orders, or necessary attendance in a court of justice, or when he is temporarily absent from the place for which he is appointed, he may employ a partner or clerk to attend in his name and behalf; such partner or clerk having previously taken an oath, to be filed with the clerk of the county in which such auctioneer shall reside, fully and faithfully to perform the duties incumbent upon him; and which oath must also contain a true statement of the connection that exists between him and the auctioneer. Goods damaged at sea and sold for the benefit of the owners or insurers, shall be sold in the city of New York, under the direction of the wardens of the port.

Every auctioneer who, during his term of office, shall accept an appointment as auctioneer from any other state, or who shall be concerned as principal or partner in selling any goods, wares, merchandise, or effects, in any other state by public auction, or who shall receive any reward, compensation or benefit, for or on account of any such sale, shall be deemed guilty of a misdemeanor.

No auctioneer in any city of this state can at the same time have more than one house or store, for the purpose of holding his auctions; and every such auctioneer, before he enters on the execution of his office, must designate, in a writing signed by him, such house or store, and also name therein the partner or partners, if any, engaged with him in business, and file such writing with the clerk of the city for which he shall be appointed.

No auctioneer shall expose to sale by public auction any goods or articles liable to auction duties, at any other place than that designated in the writing so deposited by him, except goods sold in original packages as imported, household furniture, and such bulky articles as have usually been sold in warehouses, or in the public streets, or on the wharves.

The common council of each city may designate such place or places, within such city, for the sale by auction of horses, carriages, and household furniture, as they shall deem expedient.

Every auctioneer in the city of New York must, under his own name, give previous notice in one or more of the city newspapers, of every auction sale that may be lawfully made by him; if connected with any person or firm, his name must, in all cases, precede separately and individually the name of such person or the title of the firm under which he transacts business.

No auctioneer, co-partner, or clerk of an auctioneer, or any other person in the city of New York, shall advertise a sale by auction, in any other manner than as above described, or be concerned in any sale by auction not advertised in such manner.

No auctioneer shall demand or receive more than two and one half per cent. commissions on the amount of any sales, public or private, made by him, unless by a previous agreement in writing, between him and the owner or consignee of the goods sold.

No auctioneer on the day and at the place where his public auction shall be held, nor any person whatever, on the same day and place, shall sell at private sale any goods liable to auction duties.

When goods are struck off at auction, and the bargain shall not be immediately executed by the payment of the price, on the delivery of the goods, it is the duty of the auctioneer to enter in a sale book, to be kept by him for the purpose, a memorandum of the sale, specifying the nature, quantity, and price of the goods, the terms of sale, and the names of the purchaser, and of the person on whose account the sale is made.

All sales of goods by public auction, in the city of New York, shall be made between sunrise and sunset, excepting books or prints, and goods sold in the original package as imported, according to a printed catalogue, of which samples shall have been opened and exposed to public inspection at least one day previous to the sale.

A conviction of fraudulent practices for ever disqualifies an auctioneer from exercising the rights or pursuing the business of an auctioneer — he shall be deemed guilty of a misdemeanor, punishable by fine, not exceeding five hundred dollars, and imprisonment not exceeding one year, or either, in the discretion of the court. And if after said conviction, he undertakes to act as an auctioneer, he shall be deemed guilty of a misdemeanor for each offence and punishable as above. And any person who shall transact the business of an auctioneer without having first complied with the provisions of the law, is punishable in like manner.

The few remaining provisions of the statute in relation to the prosecution for forfeitures, it is not worth while to enumerate. An outline of the statute law has been given, even at the risk of incurring the imputation of prolixity. The general principles of law applicable to the agency of auctioneers, will be discussed hereafter.

Art. VII.—MERCANTILE LAW LITERATURE.

1. *Commentaries on the Law of Agency, as a branch of Commercial and Maritime Jurisprudence, with occasional Illustrations from the Civil and Foreign Law.* By Joseph Story, L. L. D., Dane Professor of Law in Harvard University. Boston: 1839. Little & Brown.

The profession, previous to this publication, were in possession of a treatise on the Law of Principal and Agent, by the late Samuel Livermore, a distinguished American lawyer, and of the English work on the same subject, by Paley. The present work is the commencement of a series of commentaries upon the different branches of commercial and maritime jurisprudence, to be prepared in pursuance of the original scheme of the Dane Professorship. It is designed not only for students, but for the profession generally; and being arranged with the method and learning which characterize all the publications of Judge Story, it must entirely supersede all other works upon the same title. It is not our province to criticise so elaborate a work; we can only say, that from the examination we have given it, it will confer increased honor upon its most accomplished and gifted author.

2. *A Treatise on the Law relative to Sales of Personal Property.* By GEORGE LONG, Esq. Second American Edition; with additions by BENJAMIN RAND, Esq. Boston: 1839. Little & Brown.

THE original work of Mr. Long acquired a reputation which rendered it worthy of introduction into the Law School at the University of Cambridge, as a text-book. The first edition being out of print, Mr. Rand, of the Boston bar, was invited to prepare a second, and acceded to the request. Knowing his extensive and profound legal acquirements, which are not surpassed by any lawyer in the United States, it is a source of regret that he considered himself precluded from preparing an original treatise, instead of becoming the editor of an existing work; though as an annotator he stands almost unrivalled for research and industry, as his edition of Powell on mortgages, fully establishes.

The present work treats of the parties to a sale, the disabilities of certain persons to contract, the validity of sales, warranties, the mode of transfer, the rescinding of contracts, and other kindred subjects. They are all treated with ability; wherever the original work was deficient, the editor has supplied the omission by the addition of the principles of the modern cases, in language clear and pertinent. The treatise as improved, will be a valuable acquisition to the public.

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3. *The American Conveyancer.* By GEORGE T. CURTIS, Esq., of the Boston bar. Published by Little & Brown.

THIS is a small volume, containing "a large variety of legal forms and instruments adapted to popular wants and professional use throughout the United States, together with forms and directions for applicants under the Patent Laws of the United States, and the Insolvent Act of Massachusetts." We have examined this manual with some care, and pronounce it a valuable compilation. In many respects it is far preferable to the "elaborate work" of Mr. Oliver. The forms to be observed at the organization of corporations will be found very useful; for serious difficulties frequently arise in suits wherein corporations are parties, in conseqnence of the imperfect and loose manner in which their organization was effected and recorded. Equally useful are the forms, captions and returns of depositions, inaccuracy in which is often fraught with loss and disappointment to the party obliged to resort to that species of evidence. The forms used in Massachusetts under the insolvent laws, are numerous and accurate; they alone must render the work almost invaluable to those whose residences may not always admit of their obtaining ready and sound professional advice. Such a work must necessarily have a limited circulation, since much of it is of local value; to a certain degree, however, *the Conveyancer* is calculated for any meridian. It will be found a useful appendage to the counting-room.

STATISTICS OF MANUFACTURES.

GREAT BRITAIN.

Cotton, (calicoes, cambric muslins, dimities, lace, gauze, velvets, shawls, &c.,) consuming 280,000,000 lbs. per annum, annual value $162,000,000, employing 800,000 people, and 80,000 power looms; woollen, (cloth, kerseymeres, baize, worsted, flannels, blanketing, carpeting, &c.,) annual value about $96,000,000, employing 500,000 persons; the annual import of raw wool is about 30,000,000 lbs; metallic ware, annual value of produce $80,000,000, persons employed 350,000; linen, annual value $30,000,000, (lace, lawn, cambric, shirtings, sheetings, sail-cloth, &c.;) hides, tanned, &c., consuming 42,800,000 lbs., of which about 33,500,000 were imported, annual value produced $68,000,000, employing 300,000 persons; malt liquor, 9,500,000 bls., value $125,000,000; candles, 118,000,000 lbs., value $16,000,000; soap, 120,000,000 lbs., value $16,000,000; glass, paper, spirits, starch, &c.

FRANCE.

The annual value of the manufactures of France is estimated at about $300,000,000; silk, $25,000,000; woollen, consuming 100,000,000 lbs., of which 10,000,000 are imported, value $46,000,000; linen, (lawns, cambric, lace, plain cloths, sail-cloth, &c.,) $36,000,000; cotton, consuming 75,000,000 lbs; leather, $30,000,000; trinkets, perfumery, jewellery, furniture, &c., to the value of $20,000,000 per annum; soap, $5,600,000; starch and hair powder, $10,000,000; crystal and glass, $4,000,000; porcelain and pottery; $5,000,000, &c.

Dupin makes the following estimate of the comparative commercial and manufacturing power of France and Great Britain:

		FRANCE.	GREAT BRITAIN.
		Men Power.	*Men Power.*
Animate Force		6,303,019	7,275,497
Inanimate Force.	Mills and Hydraulic Engines	1,500,000	1,200,000
	Windmills	253,333	240,000
	Wind and Navigation	3,000,000	12,000,000
	Steam Engines	480,000	6,400,000
	Totals	11,536,352	27,115,497
		Add Ireland	1,002,667
		Total United Kingdom	28,118,164

Thus the total inanimate force applied to the arts in France, scarcely exceeds the fourth of that so applied in the United Kingdom; and the whole animate and inanimate power of the latter applied to manufactures and commerce is nearly treble the amount of that of the former.

PRUSSIA.

Woollen, consuming 25,000,000 lbs., value produced, inclusive of raw material, $30,000,000; cotton, $15,000,000; linen, $9,500,000; silk, 8,500 looms, 35,000 operatives,) gross value $4,500,000; metallic ware, glass, porcelain, leather, trinkets, &c.

NETHERLANDS AND BELGIUM.

Woollen, $15,500,000; cotton, $9,800,000; linen, $18,000,000; lace, $5,000,000; refined sugar, $2,700,000; spirits, $7,600,000; beer, $22,000,000; tobacco, $5,350,000; oil, $5,600,000; soap, $2,000,000; leather, $5,350,000; earthenware, $800,000; books, $3,000,000; paper, 1,600,000, &c.; in all, $130,000,000.

SWITZERLAND.

Watches, jewellery, mathematical and musical instruments, linens and thread, cotton, woollen, paper, leather, &c. The cotton manufactures have increased rapidly of late, employing 28,000 hands.

AUSTRIA.

None of the Austrian dominions can be, strictly speaking, called manufacturing countries, as the want of easy external communication, and the mineral riches of the country, have turned attention more to mining and agriculture; yet the linens of Moravia, Bohemia, and Silesia, the lace of Bohemia and Venice, the glass of Bohemia, the silks of Vienna, Venice, Milan, &c., the fine woollens of Moravia and the Lombardo-Venitian Kingdom, the mirrors of Venice and Austria, the cutlery of Stiria, cotton, porcelain, jewellery, musical and philosophical instruments, &c., are important branches of industry.

DENMARK.

The manufactures of Denmark consist chiefly in working up the flax and wool of the country in a coarse form for domestic use; much of the wool is exported. Distilleries, sugar-refineries, &c., have been patronised by government, but they can hardly support foreign competition.

SWEDISH MONARCHY.

The manufactures of Sweden are inconsiderable, and those of Norway are of even less importance; and, although fostered by government, they cannot sustain themselves against foreign competition. Pottery, glass, woollens, bar iron, some silk and linen, ships, leather, paper, spirits, &c., are the prominent articles. "Even in the common trades the work is lazily and ill performed, and charged at a high rate; and it is a curious fact, that some great merchants in the western towns send their linen to be washed in London."

RUSSIA.

The manufactures of Russia, notwithstanding the efforts of government, are in a rude state. The most national are coarse fabrics from hemp and flax, sail-cloth, duck, sheeting, sack-cloth, all of which are supplied of a better quality and at a cheaper rate by Russia than they can be had elsewhere. The encouragement afforded to the distillation of rum from grain has succeeded to such a frightful degree, as not only to exclude foreign spirits, in a great measure, from home consumption, but to enable from 25,000 to 28,000 persons to destroy themselves annually by intemperance; the annual value produced is estimated at $60,000,000. The patronage of government has also attracted foreign manufacturers, who have established extensive manufactures of iron and arms, and some silk (16,000 looms) and cotton (70,000 looms) manufactories; but these do not supply the internal demand. Coarse woollens, in great quantity, are made by the peasants for family use.

GERMANY.

The Germans have made great progress in manufactures since the middle of the last century, but the German states (exclusive of the Prussian and Austrian provinces, which constitute more than half of the territory of the empire) do not hold so prominent a place as formerly in manufacturing industry. The Hanse towns formerly clothed the north of Europe, but Great Britain, France, and the Netherlands have for some time not only supplied their own consumption, but partially that of Germany. Even in the linen manufacture, the Irish have in a great measure supplanted the Germans. The linens of Lusatia and Brunswick, the cottons, lace, and woollens of Saxony, the wood-work toys of the Saxon duchies and Bavaria, the wax candles of Hanover, the beer of Bavaria and Brunswick, clocks, watches, mirrors, porcelain, mathematical and musical instruments, arms, oil, liqueurs, &c., are among the articles produced.

SPAIN.

Although the manufactures of Spain cannot sustain a comparison with those of some of the European states, either in finish or extent, yet they are by no means so insignificant as is sometimes supposed. Fine cloths, but not enough to supply the home consumption, silks, though this branch of industry is decayed, porcelain and mirrors, linens and cottons, paper, arms, barilla, oil, leather, &c., are some of the products of manufacturing industry.

PORTUGAL.

The Portuguese artisans are ignorant and unskilful, but they excel in working in gold and silver; cambrics are also well made in some places, but woollens are hardly made except in families for domestic use, the finer fabrics being imported. Some linen, silk, gold lace, leather, pottery, glass, paper, &c., are also produced.

ITALIAN STATES.

The Italians, once so distinguished for the variety and elegance of their manufactures, are now much behind the French, Germans, and English; this branch of industry is now every where on the decay in the peninsula, and presents only some specimens, on a small scale, of its former prosperity. The silk manufacture, formerly the great staple, particularly in the form of velvets and damasks, now exists only in some cities. The woollen manufactures of Florence were once extensive, but they are at present few and coarse; paper, leather, muslin, essences, fine soap, artificial flowers, jewellery, straw hats, crystals, glass, mirrors, &c., with mosaics, cameos, casts, alabaster and marble ornaments, &c., are produced in Italy.

OTTOMAN EMPIRE.

Manufacturing industry is more advanced in the Asiatic portion of this empire than in the European; the Turkey leather cannot be rivalled in other parts of Europe, and in the dyeing of silk, cotton, and woollen, the artisans of Turkey are not surpassed by any. Silks, cottons, linen, fire-arms, sword-blades, soap, glass, copper utensils, fine carpets and camlets, &c., are produced.

PERSIA.

The Persians have much mechanical ingenuity, and have carried some of the arts to a high degree of perfection. They excel particularly in the fabrication of sword-blades, copper utensils, perfumery, jewellery, paper, leather, and pottery, and they produce fine silks, particularly brocade and embroidery, carpets, shawls and calicoes.

HINDOSTAN.

The cotton manufactures of India, although surpassed in some respects by the productions of the European loom, have yet a delicacy, softness, richness, and durability that make them preferred in the east. No less than one hundred and twenty-four different kinds of cotton fabric are produced by the ingenious and industrious Hindoos. Their muslins, calicoes, ginghams, chintzes, taffetas, brocades, and embroidered gauzes, the beautiful shawls of Cashmere and the carpets of Patna, their sword-blades and filigree work, &c., have a high reputation.

FURTHER INDIA.

The people of this peninsula have made little progress in the arts of comfort and luxury, and cannot equal the cottons of Hindostan, the silks of China, and the porcelain of Japan. Yet they excel in gilding, in working in gold and silver, and in the fabrication of a sort of lackered ware, adorned with rich mosaics of mother of pearl.

CHINA.

The industry and ingenuity of the Chinese in all that relates to the conveniences of life are remarkable; the origin among them, of several arts of comparatively recent date in Europe, is lost in the night of time; they have, from time immemorial, fabricated silks, porcelains, and cottons of great beauty and excellence, worked the precious metals, polished and cut precious stones, excelled in embroidery, dyeing, carving ivory, and making musical instruments; their filigree work, artificial flowers, paper-hangings, paper, lackered ware, &c., are also remarkable.

UNITED STATES.

Cotton, 795 mills, with 1,246,503 spindles and 33,500 looms, producing annually 200,500,000 yards, of the value of $26,000,000, consuming 77,758,000 pounds, employing 62,000 persons, 40,000,000 yards are printed; woollen, annual value of manufacture, $40,000,000, employing 50,000 persons; glass, porcelain, &c., $3,000,000; paper, $7,000,000; chemical articles, $1,000,000; hats and caps, $11,000,000, employing 18,000 persons; cabinet ware, $10,000,000; leather, glass, candles, soap, cutlery, fire-arms, sheet-iron, hardware, &c.

MARINE INSURANCE.

MINIMUM PREMIUMS.

ADOPTED BY THE BOARD OF UNDERWRITERS OF NEW YORK, JANUARY 1, 1840.

FURNISHED FOR THE MERCHANTS' MAGAZINE, BY WALTER R. JONES, SEC. TO THE BOARD.

Risks from Atlantic Ports to Europe.

	per cent.
On Merchandise and Freights, from an Atlantic port in the United States, to a port in Europe, clearing on and after the 1st October, and before the 15th March,	1
Do. do. clearing on and after the 15th March, and before 1st October,	¾
On Specie, from an Atlantic port, to a port in Europe,.....................	½

Risks from Europe to Atlantic Ports.

On Dry Goods, Hardware, and Fancy Goods, each package subject to separate average, if required, from Havre to an Atlantic port in the United States,	1¼
On Dry Goods, from a port in the Mediterranean to do.................	1½
On Dry Goods, from a port in the United Kingdom of Great Britain to do.	1½
On Hardware, do. do..............................	2
On risks from do. do. free from particular average, unless it happen by stranding, and amount to five per cent.................	1
On risks from do. do. from particular average, unless it happen by stranding, and amount to five per cent., and also free from general average,..	¾
On all other risks from Europe, to an Atlantic port in the United States, specie excepted	1¼
On specie from Europe to an Atlantic Port in the United States.............	¾

Baltic Risks to and from Cuba and Atlantic Ports.

On risks from Atlantic ports in the United States to St. Petersburg,............	1½
On risks from Cuba to Gottenburg, and any ports between that port and St. Petersburg,..	2½

per cent.

On risks from St. Petersburg to the United States, sailing prior to August 15th, 1½

Do. do. do. sailing on and after 15th Aug. and prior to 15th Sept.......... 2

On risks from St. Petersburg to the United States, sailing on and after 15th Sept. and prior to 1st Oct.......... 3

On risks from St. Petersburg to the United States, sailing on and after 1st Oct. and prior to 15th Oct.......... 4

On risks from St. Petersburg to the United States, sailing on and after the 15th Oct. 6

European Risks, to and from American Gulf Ports in the United States.

On risks from Europe, to an American port in the Gulf of Mexico,.......... 2

Do. do. free from particular average, unless it happen by stranding, and amount to five per cent. and also free from general average, 1½

On Merch. and Freights, from Mobile and N. Orleans, Pensacola, Apalachicola, St. Marks and St. Josephs, to a port in Europe, clearing on and after the 1st of October, and before the 15th of March,.......... 1½

Do. do. clearing on and after 15th March, and before 1st October, 1¼

On Cotton, from Columbus and places below, to Apalachicola and St. Josephs, and thence to Europe,.......... 4

Gulf risks, if clearing from the United States, after the 15th of July, and before the 15th of October, an addition of,.......... ½

For stopping at another port in the United States, on the passage to or from a port in Europe, an additional premium of.......... ½

Coastwise and River Risks north of Florida.

On Cargo, from New York to Darien, and other places not above Macon,..... 1½

Do. vice versa, less ½ on such part as does not come in boxes and flats, 2

On Cargo from New York to Cheraw,.......... 1½

On Cargo, from New York to Augusta or Fayetteville,.......... 1

Do. vice versa, less ½ on such part as does not come in boxes and flats, 1½

If on deck the sea passage, an additional premium of.......... ¼

On Cargo, from Augusta to Savannah, or vice versa, river risk,.......... ⅝

On rice, from Savannah, Charleston, Georgetown, Darien or Wilmington, to a northern port.......... 1

On other risks do. do. do. do. do. ⅝

On risks from northern ports to Savannah, Charleston, Georgetown, Darien, or Wilmington, except specie.......... ¾

On Specie, either way.......... ⅜

On risks to or from the Delaware, if clearing on and after 1st December and prior to 9th March.......... 1

On risks to or from the Delaware, if clearing on and after 9th March and prior to 1st December.......... ½

On risks to or from Norfolk and Portsmouth, or vice versa.......... ½

On risks to other places within the Capes of the Chesapeake, if clearing on and after 1st December and prior to 9th March.......... ¾

On risks to other places within the Capes of the Chesapeake, if clearing on and after 9th March and prior to 1st December.......... ½

On risks to or from ports north and east of Cape Cod.......... ¾

vice versa, ¾

Coastwise Risks to and from Ports west of Florida.

From a northern port to Key West, and at any other place west of that port, and not west of New Orleans, by ships and brigs, against total loss only, or with average.......... 2

Do. do. do. do. by schooners and sloops. 2½

On freights and merchandise from New Orleans and Mobile to a northern port in the United States, excepting on sugar, molasses, and tobacco.......... 1¼

On sugar, molasses, tobacco, and other articles liable to damage.......... 1½

On sugar and molasses, from a plantation above or below New Orleans to do. 1¾

On risks from Key West, and places between that port and Pensacola, inclusive, to a northern port in the United States.......... 1½

Specie out, by ships and brigs, 1 per cent.; back, by do.......... ¾

Specie out, by sloops and schooners, 1¼ per cent.; back, by do.......... 1

	per cent.
On risks from a northern port to Franklin, and other places in the vicinity	2½
vice versa,	2
Specie either way	1

Specie risks to be charged ¼ per cent. additional premium by vessels clearing on and after 15th July, and before the 15th October, and other risks ½ per cent. in addition to the above rates, except New Orleans.

River Risks west of Florida.

From Apalachicola and St. Josephs to Columbus, or to any place on the river below Columbus	3
vice versa,	2½
From Mobile to places not above Claiborne	½
vice versa,	½
From Mobile to places above Claiborne	1
vice versa,	¾
From New Orleans to places in the vicinity below New Orleans	½
From New Orleans to places on the Mississippi not above Natchez	½
From New Orleans to places on the Mississippi above Natchez and not above Randolph, or to places on the Red River not above Alexandria, or to places on the Black River not above Harrisonburg, or to places on the Arkansas River not above Arkansas	1
From New Orleans to places on the Mississippi River above Randolph and not above Alton, or to places on the Ohio river, or to places on the Red River above Alexandria and not above Natchitoches, or to places on the Tennessee River not above Florence	1½
From New Orleans to places on the Arkansas river above Arkansas, and not above Little Rock	2
From New Orleans to places above Alton, and to places on the Wabash and Illinois Rivers	2
From New Orleans to Huntsville, and places on the Tennessee river above the Muscle Shoals	2
From New Orleans to places on the Arkansas river above Little Rock, and to places on the Red river above Natchitoches	4
On risks from Natchez, and places below it, to New Orleans	¾
On risks from places above Natchez, and not above Randolph, to New Orleans,	¾
On risks above Randolph, and not above Alton on the Mississippi, and not above Portsmouth on the Ohio River to New Orleans	1
On risks above Portsmouth on the Ohio River, or above Alton on the Mississippi River, or from places on the Missouri River	1¼ to 4

All the above premiums are to be in addition to the premiums for the sea passages, in case the risks are united.

Foreign Ports in the Gulf of Mexico.

On risks from northern ports in the United States to Vera Cruz, quicksilver excepted	2½
Do. do. do. do on quicksilver,	2
vice versa, on goods,	1½
do. on specie,	1¼
On risks from Tampico and other foreign ports in the Gulf of Mexico, to a northern port in the United States, on merchandise	2
vice versa,	2½
Do. do. do. do. do. on specie,	1½

On risks clearing on and after 10th July, and prior to the 15th October, an additional premium of ¼ per cent. on specie, and ½ per cent. on other risks.

West India Risks, and Risks to Ports on the Main.

On risks from ports in the United States to Curacao, and to all West India ports not to leeward of Porto Rico	1¾
vice versa,	1¼
On specie, either way	¾
On risks from ports in the United States to ports to leeward of Porto Rico, including Jamaica, Cuba, and ports on the Main, north and west of and including Laguira	1½
vice versa,	1½

	per cent.
If from Havana or Matanzas, with special averages, less than the whole shipment, an additional premium of..	¼
on specie,	⅛

On risks clearing after 10th July for or from the West India Islands, on and after the 15th July, and prior to the 5th October, an additional premium is to be charged of ¼ per cent. on specie, and ½ per cent. on other risks.

South American Risks.

On risks from northern ports in the United States to Rio Grande or Buenos Ayres..	2
vice versa.	2
On risks from northern ports in the United States to Montevideo.............	1½
vice versa,	1½
On risks from northern ports in the United States to other ports in Brazil......	1¼
vice versa,	1¼

Cape Horn and Cape of Good Hope Risks.

On risks to a port beyond the Cape of Good Hope................................	1¾
On risks to a port beyond the Cape of Good Hope, with liberty of one or more ports, an addition, outward, of..	¼
homeward,	⅛
out and home, double rates.	
On risks to a port round Cape Horn, if not north of Lima....................	2
On risks to a port round Cape Horn, if north of Lima..........................	2½
out and home, double rates.	

On risks on the return passages, the same premiums, except specie, ½ per cent. less than other merchandise from round Cape Horn.

On risks (excepting whaling risks) to ports round the Cape of Good Hope, 4 per cent. per annum. If to ports round Cape Horn, 4 per cent. per annum. If north of Lima, 5 per cent. per annum.

All renewals or extensions to be charged at not less than the new rates.

All risks on deck, treble the under deck premiums.

Risks on cargo by vessels bound round Cape Horn not to be insured in series of less than twenty packages of dry goods, and each description of other goods.

In policies covering two passages, or on out and home risks, the premiums for both the single passages are to be united.

Specie by vessels of war not included in the aforesaid rates.

CLAUSES AND REGULATIONS
OF THE NEW YORK INSURANCE COMPANIES.
JANUARY 1, 1840.

Particular Averages.

Cotton to be classed in parcels of not less than ten bales each, according to the succession of the marks and numbers in the invoice, and the average shall be allowed on each parcel exclusively, if amounting to five per cent. on such parcel, and not otherwise. The excesses over the parcels of ten bales each to form a separate class, and to be subject to average, if damaged, to the extent of five per cent on ten bales.

Sugar, not less than fifty boxes, or twenty hogsheads, of successive numbers, as above, if amounting to seven per cent.

Coffee, not less than one hundred bags, if amounting to ten per cent., or twenty hogsheads or fifty barrels, if amounting to five per cent., of successive numbers, as above, or five per cent. on the whole shipment, provided the whole shipment be not less than two hundred bags.

Rice, not less than fifty tierces, of successive numbers, as above.

Tobacco, subject to ten per cent., average, in lots of not less than 10 hogsheads, do.

Tobacco stems, not to be insured subject to a less average than twenty per cent. on the entire lot.

Segars and Indian meal, not to be insured subject to a less average than ten per cent. on the entire lot.

Russia duck, diapers, burlaps, and ticklenburgs, if from Europe, ten per cent. on the entire lot, and average 10 per cent.

Grain, coastwise, do. 10 per cent.

On Cargo to Marseilles.

Sugar, coffee, rice, cocoa, pepper, and pimento, warranted free from particular average, if the property is discharged at the port of Marseilles.

Voyages beyond the Cape of Good Hope.

Silks and other dry goods to be classed in parcels of not less than ten packages each, according to the succession of the marks and numbers in the invoice; and each kind of teas to be considered as one class, and to be subject to average, as if separately insured, on such of the classes as may amount to five per cent., and not otherwise.

Cassia (except in boxes) and floor matting, if insured separately from other cargo, to be free of average under twenty per cent. on the entire lot.

Warranted free from loss or expense by capture, seizure, or detention by the Chinese, and also free from loss by blockade; but if turned off, the ship to proceed to a near open port.

General Regulations.

If goods are designated by different marks, without being numbered successively, and the average of the marks do not fall below the quantity on which partial loss is allowed as above, each mark may be separately insured.

Policies terminating outwards, with a return premium — and policies with a return premium, for ports not used — and policies on time — to have the words added after the return of premium — " no loss being claimed."

In policies on time, with liberty to extend the same — such extension to be for a definite time, instead of stipulating to bring the vessel into port under the original agreement. A return premium, however, to be allowed for each entire month of the extended time not used — no loss being claimed.

No conditional liberties shall be stipulated for, unless the premium thereon is paid or secured at the time the risk is taken.

No fire risk on shore to be taken prior to the inception of the marine risk, except at a premium of ½ per cent.

Damaged goods to be sold on the same credit as the sound; or if sold for cash, the appraisement of sound value to be for cash, and certificates of the sound value and of damages to be under oath.

In cases of total loss, affidavits to be required as to other insurances, and in cases of claims for returns of premiums exceeding the sum of twenty dollars, an affidavit to be required stating the fact on which the claim is founded.

No damage to be allowed for goods injured by spots, without evidence of actual contact with sea water.

RATES OF PREMIUMS ON LAKE RISKS.

January 1, 1840.

DESTINATION.	BY STEAMBOATS.			BY SAILING VES'LS.		
	From the commencement of the season, and prior to the 1st of September.	From the 1st of Sept. inclusive, to the 1st of October.	From the 1st of Oct. inclusive, to the end of the season.	From the commencement of the season, to the 31st of Aug. inclusive.	All risks leaving in the month of September.	From the 1st of October, inclusive, to the end of the season.
From BUFFALO to places on LAKE ERIE, not west of CLEVELAND, ...	⅜	½	¾	⅝	¾	1
From do. to do. not west of DETROIT, ...	½	⅝	¾	¾	1	1
From BUFFALO to places beyond DETROIT, and not south of the south end of GREEN BAY, ...	1	1¼	1½	1½	1¾	2
From BUFFALO to CHICAGO, ...	1½	1¾	2	2	2½	3
From do. to other places on LAKE MICHIGAN, south of GREEN BAY, ...	2	2½	3	2½	3	3½

Goods on deck not covered by the policy unless an additional premium thereon is paid.
If the risks commence at New York, ¼ per cent. to be added to the above rates.
If they go via Lake Ontario, ⅛ per cent. to be added to the above rates.
The above dates to be calculated from leaving the shipping port on the Lakes.
Seven days to be allowed from the day of leaving New York, to reach the shipping place on the Lake.

INLAND RISKS.

	From opening to 1st of Sept.	
From New York to Providence, ⎫	¼	
" " Boston, ⎬ per steam, ¼		⅜
" " New Haven, ⎭		¼
" " places on the North River, above the Highlands,	¼	
" " Buffalo, via Erie Canal,	⅜	
" " Philadelphia,	⅜	
" " Pittsburg,	½	
" " Wheeling,	⅝	
" " Cincinnati,	1	
" " Louisville,	1¼	
" " Memphis,	1½	
" " Vicksburg,	1¾	
" " Natchez,	2	
" " New Orleans,	2⅛	
" " St. Louis,	1¾	
" " Galena, via Pittsburg,	2⅛	
" " Terra Haute, on the Wabash,	1¾	
" " Peoria, on the Illinois,	2	
" " Tuscumbia,	1¾	
" " places over the Muscle Shoals,	2¼	
From Pittsburg to Galena,	2	
" St. Louis to Independence, Mo.,	1½	
" New York to do. via Pittsburg,	3½	

TARIFF OF PREMIUMS,

ADOPTED BY THE BOSTON INSURANCE COMPANIES,

SEPTEMBER 11, 1839.

FURNISHED FOR THE MERCHANTS' MAGAZINE BY JOSEPH BALCH, ESQ., PRES. MER. INS. CO.

From Boston to Ports and Places on the Lakes and Western Rivers, via Albany and Buffalo.

LEAVING BOSTON BETWEEN APRIL 1 AND NOVEMBER 1.

	BY STEAMBOAT.			BY SAILING VESSELS.		
LEAVING BUFFALO BEFORE.	*1st Sep.*	*1st Oct.*	*After.*	*1st Sep.*	*1st Oct.*	*After.*
To Cleaveland, Ohio	1	1⅛	1⅜	1¼	1⅜	1⅝
To Detroit	1½	1¼	1⅜	1⅜	1⅝	1⅔
To Green Bay	1⅝	1⅞	2¼	2¼	2⅜	2⅝
To Chicago	2⅛	2⅜	2⅝	2⅝	3⅛	3⅜
To Michigan City	3⅛	3⅜	4⅛	3⅜	4⅛	4⅓
To other Ports south of Green Bay, on Lake Michigan	2⅝	3⅛	3⅝	3⅛	3⅝	4⅛
To Cincinnati, Ohio	1½	1⅝	1⅞	1¾	2⅛	2½
To Louisville, Ky	1⅝	1¾	2	1⅞	2¼	2⅝

⅛ per cent. to be added to the above rates on vessels leaving Boston between 1st November and 1st April.

N. B.—⅛ to ¼ should be added to winter risks for hazard of ice in the Ohio.

To Western Ports and Places, via Philadelphia and Pittsburg, and via Baltimore and Wheeling.

LEAVING BOSTON BETWEEN APRIL 1 AND NOVEMBER 1.

Via Philadelphia, Railroad, Canals, Pittsburg, &c.		*Via Baltimore, by National Road, Wheeling, &c.*	
To Philadelphia	⅝	To Baltimore	⅜
To Pittsburg	¾	To Wheeling	¾
To Cincinnati	1¼	To Cincinnati	1
To Louisville	1½	To Louisville	1¼
To St. Louis	2	To St. Louis	1¾

⅛ to be added to the above rates on vessels leaving Boston between 1st November and 1st April, on risks to Philadelphia and Pittsburg.

N. B.—¼ to ½ per cent. should be added to winter risks, for hazard of ice in the Ohio.

To and from places on the Southern and Western Rivers in the United States.

MISSISSIPPI AND TRIBUTARIES.

On the Mississippi River.	*Out.*	*Home.*
From Boston to New Orleans	1 1-2	1 1-2
" to places between New Orleans and Red River	1 3-4	1 2-3
" " Red River and Vicksburg, including V.	2	1 5-6
" " Vicksburg and Arkansas River	2 1-4	2
" " Arkansas River & Randolph, incl'ng R.	2 1-2	2 1-6
" " Randolph and the Ohio River	2 3-4	2 1-3
" " the Ohio and Illinois Rivers	3	2 1-2
" " Illinois River & Warsaw, including W.	3 1-4	2 2-3
" " Warsaw and Ouisconsin River	4	3 1-6
" to places on and above the Ouisconsin, not less than	4	3 1-6

Half per cent. to be added on vessels leaving Boston or New Orleans in August, September, or October.

A deduction of a quarter per cent. may be made on each passage to or from the Gulf of Mexico, on cotton, metals, and salted provisions in casks.

Table of Places on the Mississippi, classed according to the above arrangement, with the Distances from New Orleans, and Rate of Premium.

	Above New Orleans to Red River.	*Nov. 1 to Aug. 1.*
83	Donaldsonville	1¾
140	Baton Rouge	1¾
176	Bayou Sara	1¾
	St. Francisville	1¾
—	*Above Red River, to and including Vicksburg.*	
297	Natchez	2
396	Grand Gulf	2
412	Vicksburg	2
—	*Above Vicksburg to Arkansas River.*	
487	Princeton	2¼
—	*Above Arkansas River, to and including Randolph.*	
815	Memphis	2½
883	Randolph	2½
	Above Randolph to Ohio River.	*Nov. 1 to Aug. 1.*
		2¾
—	*Above Ohio River to Illinois River.*	—
1199	Kaskaskia	3
1250	St. Louis	3
1274	Alton	3
—	*Above the Illinois, to and including Warsaw.*	—
1430	Quincy	3¼
1470	Warsaw	3¼
—	*Above Warsaw to the Ouisconsin.*	—
1510	Burlington	4
1617	Rock Island, foot of Rapids	4
1725	Galena	4
1815	Prairie du Chien	4

Half per cent. to be added on vessels leaving Boston or New Orleans in August, September, or October.

On Red River.	Out.	Home.
From Boston to places not above Alexandria	2 1-2	2 1-6
“ “ beyond Alexandria and not beyond Natchitoches	2 3-4	2 1-3
“ “ beyond Natchitoches, not less than	3	2 1-2

On the Ouachita or Black River, falling into Red River.

From Boston to places not above Harrisonburg	2 1-2	2 1-6
“ “ beyond Harrisonburg not less than	3	2 1-2

On Arkansas River.

From Boston to places not above Arkansas	2 1-2	2 1-6
“ beyond, and not above Little Rock	3 1-2	2 5-6
“ beyond, and not above Fort Gibson, (Mo. Ter.)	5 1-2	4 1-6
“ beyond Fort Gibson, not less than	6	4 1-2

On the Ohio River.

From Boston to Trinity, Ill	2 3-4	2 1-3
“ to places beyond, as high as Louisville	2 7-8	2 5-12
“ “ “ Cincinnati	3	2 1-2
“ “ “ Portsmouth	3 1-8	2 7-12
“ “ “ Gallipolis	3 1-4	2 2-3
“ “ “ Wheeling	3 3-8	2 3-4
“ “ “ Pittsburg	3 1-2	2 5-6
“ to places beyond Pittsburg, not less than	3 1-2	2 5-6

On Tennessee River, falling into the Ohio.

From Boston to Florence or Tuscumbia	3	2 1-2
“ to Muscle Shoals, and beyond	3 1-2	2 5-6

On Cumberland River, falling into the Ohio.

From Boston to Nashville	3	2 1-2

Half per cent. to be added on vessels leaving Boston or New Orleans in August, September, or October.

On the Kentucky River, falling into the Ohio.

On Kentucky River	3 1-4	2 2-3

On the Wabash, falling into the Ohio.

From Boston to Mount Carmel, (mouth of White River,)	3	2 1-2
“ to Lafayette, Terra Haute, Covington, &c	3 1-4	2 2-3
“ to places beyond, not less than	3 1-2	2 5-6

On White River, falling intp the Wabash.

On White River	3 1-2	2 5-6

On the Missouri.

From Boston to Booneville	5	3 5-6
“ to Lexington	6	4 1-2
“ to Liberty	6 1-4	4 2-3
“ to Independence	6 1-2	4 5-6
“ to Council Bluffs		

On the Illinois River.

From Boston to Peoria	3 1-2	2 5-6

On Rock River.

On Rock River	4	3 1-6

On Ouisconsin River.

On the Ouisconsin River	4 1-2	3 1-2

N. B. — A deduction of a quarter per cent. may be made on each passage, to and from ports in the Gulf of Mexico, on cotton, metals, and salted provisions in casks.

Half per cent. to be added on vessels leaving Boston or New Orleans in August, September, or October.

To or from Places on the Alabama River and Tributaries.

	Out.	Home.
From Boston to Claiborne, on the Alabama	2	1 5-6
“ to places on said river beyond Claiborne	2 1-2	2 1-6
“ to Montgomery, on the Talapoosa	2 3-4	2 1-3

To Places on the Tombeckbee and Black Warrior Rivers.

From Boston to St. Stephens	2	1 5-6
“ to Demopolis	2 1-4	2
“ to Erie or Gainsville	2 1-2	2 1-6
“ to Tuscaloosa	2 3-4	2 1-3

	Out.	*Home.*
From Boston to Columbus, Miss	3	2 1-2
" to Cotton Gin Port	3 1-2	2 5-6

N. B.—A deduction of a quarter per cent. may be made on each passage, to or from ports in the Gulf of Mexico, on cotton, metals, and salted provisions in casks.

Half per cent. to be added on vessels leaving their ports of loading in August, September, or October.

On Southern and Western Rivers not previously enumerated.

Appalachicola River and Tributaries.	*Out.*	*Home.*
From Boston to Columbus, Geo., on the Chattahochee	3 to 5	2½ to 5

N. B.—A deduction of a quarter per cent. may be made on each passage, to or from ports in the Gulf of Mexico, on cotton, metals, and salted provisions in casks.

Half per cent. to be added on vessels leaving their ports of loading in August, September, or October.

Alatamaha River.	*Out.*	*Home.*
From Boston to Macon	1½ to 2½	1½ to 2

N. B —A deduction of a quarter per cent. may be made on cotton, metals, and salted provisions in casks.

A quarter per cent. to be added on vessels leaving their ports of loading in August, September, or October.

RATES OF INSURANCE IN CANTON ON FIRST CLASS VESSELS.

PORTS.	*Blck and Goods.*	*Trsre. and Cppr.*
Bombay, Ceylon, Madras, Calcutta, Rangoon, Mauritius avoiding the hurricane months, Austral Asia	2½ per cent	2 per cent
Singapore	1 ..	¾ ..
Manilla	1 ..	½ ..
Malacca, Penang, or Batavia	1½ ..	1 ..
Great Britain or France—one port	2½ ..	2 ..
United States of America—one port	2½ ..	2 ..
Holland or Hamburg	3 ..	2½ ..
Spain or Portugal	3 ..	2½ ..
East Coast of British North America	2½ ..	2 ..
Ports in the River St. Lawrence	3 ..	2½ ..
Brazils	2½ ..	2 ..
River Plate	3½ ..	3 ..
Windward and Leeward Islands, Berbice, Demerara	2½ ..	2 ..
Jamaica and St. Domingo	3 ..	2½ ..
Spanish Main, Honduras, Mosquito Shore	4 ..	3½ ..
Touching at the Cape of Good Hope between 1st May and 1st September, ½ per cent. additional.		
Touching at Singapore, Manilla, or Java, ½ per cent. additional.		
For every additional port of discharge, ½ per cent. additional.		
To a port in Chili, except Coquimbo, warranted not to arrive on the Coast between the 20th May and 20th September	3 ..	2½ ..
To arrive within those dates	4½ ..	4 ..
To Coquimbo and Peru	3 ..	2½ ..
For every additional port touched at, ½ per cent. additional.		
To Mexico and the West Coast	3 ..	2½ ..
From the West Coast of North and South America to China, warranted not to leave the Coast of Chili, except Coquimbo, between the 20th May and 20th September	2½ ..	2 ..
If to leave the Coast of Chili, except Coquimbo, between those dates	4 ..	3½ ..
To or from the Sandwich Islands	2½ ..	2 ..
Risks at Lintin, ½ per cent. per month.		
On the East Coast of China, 1 per cent. per month.		

FIRE INSURANCE.

A Table of the Liabilities of the Insurance Companies on the fire in Cedar street, on the night of the 14*th December*, 1839, *and the amount of capital of each Company sustaining a loss.*

NAMES OF COMPANIES.	*Losses.*	*Capital of Cos.*	NAMES OF COMPANIES.	*Losses.*	*Capital of Cos.*
Jefferson...............	$12,000	$200,000	Howard..............	$30,000	300,000
Mutual...............	10,000	350,000	United States.........	11,000	250,000
City...............	10,000	210.000	Safety................	15,000	Unlimt'd
Eagle...............	20,000	500,000	New York............	15,000	200.000
Merchants'............	25,000	500 000	Guardian..............	10,000	300,000
Manhattan............	25,000	350,000	North River..........	10,000	350,000
Equitable...............	12,000	300,000			
Ætna...............	15,000	200,000		358,000	6,062,000
Brooklyn...............	5,000	100,000	American, Boston.....	15,000	
Contributionship......	15,000	300,000	Merchants', Boston....	15,000	
Williamsburg	5,000	150,000	Manufacturers', Boston.	10,000	
North American.......	5,000	250,000	Hartford, Conn.......	10,000	
Georgia...............	25,000	....	Protection, Conn......	5,000	
Globe...............	20,000	500,000			
Greenwich............	8,000	200,000		413,000	
East River............	30,000	250,000	In London............	50,000	
Firemen's............	25,000	300,000			
				463,000	

INCREASE OF PREMIUMS.

At a meeting of officers of Fire Insurance Companies, held the 16th inst., it was unanimously resolved, to increase the rate of premiums on all stores and merchandise to the extent of 25 per cent. when the building is forty feet high, or under; 33⅓ per cent. when the building is over forty feet and not over fifty; and 50 per cent. when the building is over fifty feet high.

BANK STATISTICS.

THE BANK OF AMSTERDAM.

This bank was established as early as the year 1609, when the United Provinces had concluded an armstice with Spain. The object of its establishment was purely commercial, and not auxiliary to the Government of the Federated Provinces.

Amsterdam at this period was a vast mart of commerce, and a port of intrepot: it was a constant fair, where people of all climes assembled, and the products of lands exchanged. This great commerce brought to Amsterdam coins of all the countries of Europe, often much used, which reduced the value of this money in circulation nine per cent. below the value of the coinage. The moment this new coinage appeared, it was bought up and melted, or exported. Merchants, in this state of things, were unable to procure a sufficient quantity to meet the demands of bills of exchange, which consequently were subject to very variable rates.

To remedy this convenience, and to fix permanently, the value of the current money of the country, the merchants of Amsterdam established a bank upon the plan of that of Venice. All coins foreign and domestic, old and new, were received by the bank at their intrinsic value. The money thus deposited in the bank was repaid in good money of the country, after deducting the expenses of coining, and some small charge for the administration of the bank. The amount remaining, after this small deduction, was placed as a credit upon the books of the bank, and was called bank money. All bills of exchange were thus negotiated for bank money.

The bank professed never to lend any portion of its funds in deposit. For every florin credited upon its books, there was a florin of coin in the vaults of the bank.—Every depositer was at liberty to withdraw at any moment the amount in coin, which stood to his credit upon the books of the bank. Such was the fidelity of the bank to its engagements, that when Louis XIV. invaded Holland in 1672, the greater part of its creditors demanded their deposits and received them without embarrassment or delay.

One hundred and fifty years after its establishment, the bank contrary to its original purposes, consented to make advances to the East India Company. At the period of the French invasion, more than forty years ago, the directors of the bank were compelled to acknowledge that it had lent at different times, in the course of fifty years, to the East India Company, and to the Provinces of Holland and West Frise, and to the city of Amsterdam, more than 10,000,000 of florins, or five millions of dollars. Thus, whilst the books of the bank were regularly balanced, there existed this deficit in its vaults. It was no longer able to meet its engagements; and the declaration was equivalent to a bankruptcy. Accordingly bank money, which until then bore an agio of five per cent. (a premium to that moment) in its favor, suffered a reduction of 16 per cent. below the current money of the country.

The amount at any time in the vaults of this bank has been matter of public curiosity. The celebrated banker, Mr. Hope, estimates it at 33,000,000 of florins, or 15,000-000 of dollars in round numbers.

The city of Amsterdam derives a considerable revenue from the bank. Every person on opening an account with it pays ten florins, and for every new account, three florins. For every transfer of credit upon the books, two stivers are paid, and if the sum be under three hundred florins six stivers are charged. Besides that charged for the deposit of ingots, which yielded an annual revenue of 200,000 florins.

BANKS OF NEW YORK.

Aggregate Statement of all the chartered Banks of the State of New York, distinguishing between those located in the city of New York, and elsewhere, January 1, 1839, from official documents.

RESOURCES.

	Twenty two New York City Banks.	*Twenty-eight Long Island & North River Banks.*	*Forty-six country B'ks & two branches.*	*Total.*
Loans and Discounts........	$35,947,375	$14,876,763	$17,476,348	$68,300,486
Real Estate................	1,385,130	506,276	666,249	2,557,655
Stocks.....................	776,207	127,469	7,947	911,623
Overdrafts.................	119,945	35,470	27,703	183,118
Personal Estate............	4,481	11,521	13,782	29,784
Expenses...................	92,416	63,594	86,672	242,682
Bank Fund..................	404,961	138,906	196,350	740,217
Specie.....................	5,008,353	727,962	866,393	6,602,708
Notes of other Solvent Banks,	2,235,260	829,103	842,774	3,907,137
Checks and other Cash Items,	2,207,171	509,457	122,066	2,838,694
Due from other Banks.......	7,665,543	2,752,746	3,704,651	14,122,940
Other Investments..........	41,356	145,187	......	186,543
				$100,623,587

LIABILITIES.

Capital....................	20,161,200	7,285,260	9,355.000	36,801,460
Circulation................	5,494,243	5,201,567	8,677,339	19,373,149
Loans on Time..............	392,111	100,000	......	492,111
Profits....................	3,200,734	1,373.287	1,573,215	6,147.236
Deposits on Debts..........	54,647	40,337	180,796	275,780
Dividends unpaid...........	393,727	52,499	81,770	527,996
Due Canal Fund.............	1,890,318	625,815	775,580	3,291,713
Deposits...................	13,200,713	2,861,166	2,308,165	18,370,044
Due other b'ks & corporations,	11,100,505	3,184,523	1,059,070	15,344,098
				$100,623,587

THE INDEPENDENT TREASURY.

***SYNOPSIS** of a bill to impose duties as depositaries upon certain public officers, to appoint receivers general of public money, and to regulate the safe keeping, transfer and disbursement of the public moneys of the United States.*

Section 1. Rooms, vaults and safes to be provided at the seat of government, for keeping the public moneys under the control of the Treasurer of the United States, and declared to be the Treasury of the United States.

Sec. 2. The Mint of the United States, at Philadelphia, and the Branch Mint at New Orleans to be places of deposits of the public moneys, under the custody of the treasurers of said Mint and Branch Mint.

Sec. 3. Rooms, vaults and safes to be provided within the custom-houses in New-York and Boston, for keeping the public moneys under the custody of receivers general.

Sec. 4. Offices, with rooms, vaults and safes, to be erected at Charleston and St. Louis for keeping the public moneys under the custody of receivers general.

Sec. 5. The President and Senate to appoint four receivers general of public moneys to hold their offices four years.

Sec. 6. The public moneys to be kept safely, without loaning, or using, by all officers having them in custody, who are to act as fiscal agents, and perform all duties required by law as such agents.

Sec. 7. Treasurers and receivers general to give bonds with sureties.

Sec. 8. Other depositaries of the public moneys to give bonds with sureties.

Sec. 9. All collectors and receivers of public money to pay over moneys in their hands to treasurers and receivers general, at least once a month.

Sec. 10. The Secretary of the Treasury may transfer the public moneys from the hands of any depositary, as their safety or the public convenience may require.

Sec. 11. The moneys in the hands of depositaries to be held as deposited to the credit of the Treasurer of the United States, subject to his draft; depositaries to make returns.

Sec. 12. When moneys accumulate in the hands of certain depositaries, they may in certain cases be specially deposited in banks, in the states where such depositaries are located.

Sec. 13. The special deposits authorized by the last section, shall be on the following conditions:— 1st. They are not to be used by the banks for loans or discounts; and safes may be provided, or other guards adopted to secure their safe-keeping. 2d. Nothing but gold or silver, or notes, bills, or paper issued under the authority of the United States, to be so deposited. 3d. Such moneys to be passed to the credit of the depositary, but not to be withdrawn without the order of the Secretary of the Treasury. 4th. The banks receiving such deposits to be allowed a commission not exceeding one eighth of one per cent. on the money deposited.

Sec. 14. Where no bank in the state where depositaries are located, will receive moneys as provided for by the foregoing conditions and regulations, the Secretary of the Treasury may select a bank in an adjoining state, or transfer the moneys to the Treasury of the United States, the Mint, Branch Mints, or the offices of receiving general.

Sec. 15. Special agents may be appointed to examine the books, accounts and money on hand of depositaries.

Sec. 16 Farther examinations to be made by certain officers at the close of each quarter of the year, and as much more frequently as the Secretary of the Treasury shall direct, of the books, accounts, returns and moneys on hand of depositaries.

Sec. 17. Certain necessary expenses of the officers receiving, keeping and disbursing the public moneys to be paid, when authorized by the Secretary of the Treasury.

Sec. 18. Balances in the hands of present depositaries to be drawn with as much promptitude as convenient.

Sec. 19. Persons having public money to pay to the United States, may pay to the Treasury of the United States, at the Treasury, the Mints, receivers general, &c.

Sec. 20. Officers charged with the safe keeping of the public moneys to make entries of receipts, &c., and any such officer, converting to his use, in any way, or investing or loaning such money, to be subject to a fine and imprisonment.

Sec. 21. Until rooms, offices, vaults, and safes can be constructed and prepared, for certain depositaries, the Secretary of the Treasury to procure suitable rooms, and contract for the use of the vaults and safes of banks for the safe keeping of the public moneys.

Sec. 22. No general order to be made by the Secretary of the Treasury creating a difference between different branches of revenue, as to the funds in which debts to the United States are to be paid.

Sec. 23. The Secretary of the Treasury to publish regulations to enforce the speedy presentation of government drafts for payment.

Sec. 24. Salaries of the receivers general fixed, and the said receivers are prohibited from charging or receiving any other compensation for any official service, under pain of fine and imprisonment.

Sec. 25 The Treasurer of the United States, authorized to receive payments in advance for public lands and receipt for the same; said receipts to be taken at the land offices as cash, but not to be transferable.

Sec. 26. Ten thousand dollars appropriated for constructing offices and purchasing sites therefor.

Sec. 27. A sufficient sum appropriated for expenses other than those before provided for.

COMMERCIAL STATISTICS.

CANAL COMMERCE OF OHIO.

The following statistical tables will enable our readers to judge with accuracy of the amount of business transacted at Cleveland, Ohio. It presents a more full comparative statement of the canal business at that point, in different years, than any heretofore published. We are indebted to N. C. Winslow, Esq., for the documents from which these tables are compiled.

Receipts of Wheat and Flour and Clearance of Merchandise at Cleveland, 1839.

	Wheat.	*Flour.*	*Mdse.*
April,...............	93,734 bush.	22,524 bbls.	261,496 lbs.
May,...............	270,470	63,066	2,879,763
June,...............	206,080	44,704	2,668,577
July,...............	58,147	13,778	1,280,625
August,............	63,311	11,756	2,597,991
September,..........	306 763	28,283	3,044,246
October,............	377,115	46,448	3,580,347
November,..........	135,180	34,283	1,116,511
	1,515,800	264,842	17,429,556

Cleared, 1839—Salt, Gypsum, Fish.

	Salt.	*Gypsum.*	*Fish.*
April,...............	767 bls.	442,075 lbs.	1,550 bls.
May,...............	8,711	294,932	1,933
June,...............	14,494	123,239	2,001
July,...............	13,696	125,337	1,090
August,............	14,349	28 763	538
September,..........	15,696	261,395	701
October,............	24,548	496,198	571
November,..........	17,582	667,200	444
	109,843	2,439,139	8,828

Property on which toll is charged by weight and tolls.

	Arrived.	*Cleared.*	*Tolls.*
April,...............	15,425,614 lbs.	2,368,120 lbs.	$4.484 57½
May,...............	38,616,573	8,761,521	19,057 36½
June,...............	31,216,818	8,614,606	20,159 13
July,...............	11,483,336	6,742,415	14.824 65
August,............	8 556,011	7,980,786	18,833 83½
September,..........	26,944,626	9.068,881	20,331 56½
October,............	34,079,607	12.052,856	25,553 46
November,..........	18,426,962	8,144,071	13,346 62
	134,750,547	63,733,256	137,091 20

The aggregates of sundry articles received and cleared at Cleveland the past three years are thus exhibited:

Wheat and Flour received at Cleveland by Canal to December 1, for the years stated.

Received.	1837.	1838.	1839.
Wheat, bushels,	548,206	1,228,521	1,515,800
Flour, barrels,	202,957	282,745	264,842
Cleared.			
Salt, bbls.	62,857	62,838	109,843
Lake Fish, bls.	6,026	7,282	8,828
Gypsum, lbs.	1,452,570	1,841,483	2,439,139
Merchandise,*	8,863,687	16,946,453	17,429,556

Reducing the wheat to its equivalent in flour, viz. five bushels per barrel, and we have the following comparison of the receipts of those articles:

Aggregates to Dec. 1,	1837.	1838.	1839.
Flour, bbls.	202,957	282,745	264,842
Wheat,	109,641	245,704	303,160
Totals,	312,598	528,449	568,002

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* This amount is for the entire year 1837, and may probably include some Merchandise cleared after December 1st.

A Table of Duties on Flour, graduated by the Price of Sacks of Flour and Quarters of Wheat.

TABLE OF DUTIES.

A sack of flour weighs 240 pounds, a barrel of American flour 196 pounds; consequently, a barrel of flour is seven tenths of a sack by weight. The relative value is as follows:

A sack of flour

At 70s. equals a barrel at	49s. 0d.
At 68s. " "	47s. 6d.
At 66s. " "	46s. 3d.
At 64s. " "	44s. 9d.
At 62s. " "	43s. 5d.
At 60s. " "	42s. 0d.
At 58s. " "	40s. 5d.
At 56s. " "	39s. 8d.
At 54s. " "	37s. 9d.
At 52s. " "	36s. 6d.
At 50s. " "	35s. 0d.

	Duty upon a Quarter of Wheat. (Eight Bushels.)	*Relative Duty upon a Barrel of American Flour.*
At 73s. average	1s. 0d.	0s. 7¼d.
At 72s. "	2s. 8d.	1s. 7¼d.
At 71s. "	6s. 8d.	4s. 0¼d.
At 70s. "	10s. 8d.	6s. 5d.
At 69s. "	13s. 8d.	8s. 2d.
At 68s. "	16s. 8d	10s. 0¼d.
At 67s. "	18s. 8d.	11s. 2¼d.
At 66s. "	20s. 8d.	12s. 5¼d.
At 65s. "	21s. 8d.	13s. 0½d.
At 64s. "	22s. 8d.	13s. 7¼d.

MERCANTILE LIBRARY ASSOCIATION.

The annual election for officers of this important Institution, comprising a President, Vice President, Secretary, Treasurer, and eight Directors, will take place on Wednesday the 15th inst.

Elijah Ward Esq., we regret to state, has declined being considered a candidate for re-election to the Presidency, an office which he has filled with so much honor to himself and credit to the Association. Our intercourse with this gentleman, has been of such a nature, as to secure our highest esteem for his many private and public virtues, and we should be wanting in gratitude were we to suffer the present opportunity to pass, without thus publicly tendering to him our warmest thanks for the interest he has manifested in the success of the Merchants' Magazine, and of our humble endeavors to promote the prosperity of an institution so honorable to the liberality of the Merchants of New York, and second perhaps, in its moral, intellectual, and practical tendencies to none in the country.

DONATIONS TO THE MERCANTILE LIBRARY ASSOCIATION.

The Board of Directors have the pleasure to acknowledge the receipt of *Donations.*

Of Books from Thomas H. Genire, William Emerson, P. Bekcart, S. F. Crawford, George Zabriskie, Freeman Hunt, Hon. Horace Mann, Cornelius Matthews, John Keese, Prof. D. Olmsted.

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Of Minerals from Rev. Charles Fox, Samuel Sloan, E. C. Bramhall, James E. Goll, John H. Redfield, M. Newberry, James Sorley.

TO SUBSCRIBERS AND CORRESPONDENTS.

In presenting to our numerous subscribers the first number of the second half-yearly volume of the Merchants' Magazine and Commercial Review, we cannot allow the opportunity to pass without expressing our unfeigned thanks for the liberal patronage we have received, and the valuable literary assistance which has been tendered to us by many of the most eminent writers in the United States. The success which has hitherto attended our efforts to supply a deficiency in the mercantile literature of our country, and place within the reach of the great business community, the most useful information on subjects of paramount interest, has, we are gratified to say, placed the work beyond the reach of contingency; and neither pains, exertions, nor expense, will be spared on our part, to give it additional value on every point which can command attention or secure the liberal support of an enlightened community.

While it is our principal object to deal in facts, and furnish information of permanent value on all matters pertaining, in the largest and most comprehensive sense, to the great commercial interests of the country, our pages will be ever open to the liberal and temperate discussion of those important topics to which the Magazine is devoted.

Several valuable papers prepared for the present number, are unavoidably postponed. Among them are—

1. Mercantile Law Cases.
2. The Theory of Profits, by *George Tucker*, Professor of Moral Philosophy in the University of Virginia, Member of the American Philosophical Society, and author of the "Theory of Money and Banks," etc.
3. Life Insurance, by *E. W. Stoughton, Esq.*
4. Full and accurate Reports of the Lectures on Meteorology delivered by Professor Dennison Olmsted, before the Mercantile Library Association of New York, etc.

HUNT'S

MERCHANTS' MAGAZINE.

FEBRUARY, 1840.

ART. I.—THE THEORY OF PROFITS.—No. I.

I KNOW not whether the science of political economy is more fruitful of controversy because it is comparatively new, or because it treats of wealth, which in so many ways interests both our patriotism and our self-love, or, lastly, by reason of its inherent difficulty; but so it is, that no other branch of knowledge has, of late years, given rise to so much disputation as this. It abounds in controverted theories and unsettled problems; with its best established truths there mingle divers doubts and qualifications; and the honest inquirer into its principles, on consulting its most approved teachers, is sure to find that diversity which has so characterized other doctors as to have grown into a proverb. For the truth of these remarks, one has only to recollect the various theories of rent, wages, and profits — the conflicting opinions on the policy of poor laws, the numerous answers that have been given to Malthus's views on population—and lastly, the countless systems and speculations on paper credit and banks.

To whatever cause we may ascribe all this discordance, the effect has been unfortunate. While so much of the science has been debateable ground for its adepts, the lookers on, constituting the mass of the community, have come to the conclusion, that such frequent controversy proves the inherent uncertainty of the subject itself; and they turn away from the angry disputants under the conviction that the complicated concerns of national wealth are not capable of being reduced to the regular form of a science, or if they are, that the work has not yet been achieved. To this cause of the want of faith in the precepts of political economy, may be added the occasional variance between some prevalent theories and well known facts, or the current events of trade. The result has been, that hundreds of intelligent minds, who have not made this branch of knowledge the subject of their particular study, regard it with somewhat of the same distrust as cautious men have always regarded the search after the philosopher's stone, or as those of our day, who are not imbued with sanguine credulous tempers, view the pretensions of phrenology and animal magnetism.

But however the votaries of the science may deplore the discredit into which it has fallen, as creating a serious obstacle to its advancement, let them not despair. If they believe as I do, that every important principle involved in the science is capable of satisfactory demonstration, and that every question now agitated will in time be definitively settled, let them persevere in their investigations, and, confident that truth will finally prevail, let them redouble their efforts to hasten a consummation so auspicious to the best interests of society. To effect this, it is not enough that they succeed in discovering truth, they must also be able to exhibit her to others in her just colors and fair proportions; in other words, they must reason logically as well as think rightly.

Political economy is essentially a science of analysis, and its principles never can be settled until its phenomena have been carefully analyzed and traced up to their elements, which are to be found partly in the physical condition of each country, and partly in the moral nature of man. Much, indeed, has been done in this way, but much yet remains to be done; and, where a theory or problem is yet unsettled, the fact may always be traced to a faulty or defective analysis—either some important element has been omitted, or some unessential concomitant has been supposed to be an element. These inaccuracies, however unimportant they may at first seem, may, when applied to details, branch out into numerous, and often serious, errors. Of this, the theory of profits, as derived from that of rent, and which has been so extensively adopted both in England and this country, appears to me to afford a striking illustration.

Believing that theory to be altogether unsound, and that the profits of capital have never been subjected to a just or philosophical analysis by the modern school of political economy, I propose now to examine the subject; but, for that purpose, it will be first necessary to consider the theory of rent, with which, according to the doctrines of that school, the theory of profits is inseparably connected.

Rent is the profit which the owner of land receives for its temporary use, and it has its origin in the following circumstances: All mankind derive the means of their subsistence from the earth, and though its spontaneous products are few and scanty, they are capable of being greatly augmented by human labor employed in cultivation. When thus aided, they are able, in fertile land, to yield annually enough to support the labor that cultivated it, and a large surplus besides. This surplus the owner of the soil may convert into a profit or rent as soon as he can find purchasers for it; and these he is sure to find, by reason of the tendency of mankind to increase until they have reached the level of subsistence. Those who are without land, impelled by the strongest of all impulses, will give their labor, or the products of their labor, in exchange for food, and the demand thus created will, soon or late, absorb the surplus, however large. If the owner of land does not choose to cultivate it himself, he can generally obtain the same, or nearly the same, profit from others, in the form of rent for its temporary use.

Rent, therefore, arises from two causes: first, the fertility of the soil, whether native or adventitious; and secondly, the physical and moral nature of man, which make him dependent on the earth for his sustenance, and impel him to the multiplication of his species. To the first, the owner of the soil owes the fund from which rent is derived; to the second, the effective demand. Take away either—let the land produce no more than is sufficient to support the labor which cultivates it, or let the population have no tendency to increase while fertile land is abundant, and there would be no rent; but let the two circumstances concur, and rent is the necessary consequence.

Rent, after the land has once afforded it, is commonly progressive. It continues to rise with every successive increase of numbers. Those who are without land must exchange their labor or its products with the owners of the soil for the means of subsistence; and, as in this exchange, each party gives as little, and gets as much, as he can, the rate of exchange between labor and food will depend on the double competition between the producers on the one hand, and the purchasing consumers on the other: when land is plenty, and population thin, raw produce will commonly exchange for the amount of labor expended in producing it. Competition among the producers will prevent it from bringing much more, and unless it brought that much it would not be produced. Labor being then at its highest price, and raw produce at its lowest, rents, consequently, will also be very low. But as population increases, which it is sure to do when food is abundant, the consumption of raw produce will also increase, until the whole of the fertile land is taken into cultivation, when competition among the consumers will cause them to give more and more labor in exchange for food, so that the compensation which the laborer will receive, will gradually fall from the quantity of raw produce he could raise to that which he could consume; or, in other words, the price of raw produce would rise from the small amount of labor expended in producing it to the large amount it could support.

If the raw produce required for the laborer's support were fixed as to quality and quantity, rents could not increase after all the land which was fertile enough to afford that support had been taken into cultivation; but man is sustained by a variety of aliment, and according to the character of that aliment can the same soil support a greater or less number. Thus, the same portion of land which would enable one individual to consume animal food liberally, would support two if bread was the chief article of his subsistence, and four or five if it were potatoes. The tendency of mankind to multiply, so long as they can find subsistence, is constantly compelling a part of the laboring class to pass from the dearer to the cheaper kinds of aliment, so that the competition of increasing numbers not only causes the individual laborer to give more and more of his labor for food, but enables the same soil to support a greater number of laborers, and thus still further augments the labor, or, in other words, the rent, which the owner can receive for the surplus that remains after defraying the expense of cultivation.

Rent, then, may be regarded as a qualified monopoly possessed by the owners of the soil, of which man's tendency to increase his species and his capacity to cheapen his consumption enables them to profit.

During the progressive rise in the price of raw produce, which is the effect of the growth of population, and the cause of the rise of rents, various expedients will be resorted to for the purpose of lessening or checking this increase of price, by adding to the supply of food. These will be, 1, by cultivating less fertile or less accessible soils; 2, by expending more labor and capital on those already in cultivation; 3, by importing food from foreign countries where it is cheaper; or, 4, lastly, by the introduction of more prolific vegetable species, and by more skilful modes of husbandry.

Of these expedients, only the two last can render raw produce cheaper by increasing the supply; but should population continue to increase, their effect on the price of food would be but temporary. The power of doubling its numbers, which every community possesses when it can find the means of subsistence, would soon overtake the additional supply, be it what it might. And while these improvements would then have had the effect of increasing rents, they would not have permanently benefited the mere consumers. But the two first expedients cannot lower the price of raw produce, they merely retard its further advancement. They owe their existence to the previous rise of raw produce, and consequent reduction of the wages of labor, whereby it is found advantageous to cultivate lands which, without such change in the relative prices of raw produce and labor, would not have repaid the expense of cultivation. When the wages of labor have gradually declined from a bushel of grain a day, as it is in many parts of the United States, to a peck a day, as it is in England, soils will in the last case be resorted to, that in the first must remain untilled.*

According to the preceding views, raw produce, and, consequently, rents, rise during the progress of society for the same reason that corn rises after a short crop; the quantity at market, not being sufficient to satisfy the wants of all, is adjusted to the consumption of the community, partly by the advanced price which some are able and willing to give, and partly by the retrenchment of others. The only difference between the two cases is, that in one, the rise of price is brought about by a diminished supply, and in the other, by an increased demand. These two circumstances do, indeed, very differently affect producers. When the rise of price is caused by an increase of population, they gain in proportion to the rise of price; but when it is caused by an inadequate supply, they may, and commonly do, lose more from the diminution of quantity than they gain by the rise of price. But to the purchasing consumers, comprehending the laboring class, there is no difference; in both cases they must pay the same additional price, or encounter the same privation.

Let us now turn to the theory of rents, to which the late Mr. Ricardo has had the honor of giving his name, not because he was its author, but because he was the first to give it currency and celebrity by connecting it with the theory of wages and profits, and by digesting the whole into one system of great ingenuity and plausibility. From the time that he published his "Principles of Political Economy and Taxation," in 1817, to the present, his doctrines of rent have been adopted by most of the approved economists of Great Britain, and they are taught in nearly all the colleges of the United States.

This theory, admitting the gradual rise in the price of raw produce, and consequently of rents, with the progress of society, ascribes the origin of rent, and its progressive increase, to the increased demand caused by the increase of population, to the limited quantity of fertile soil, and, lastly, to the diversity of soil, as to fertility or situation, or to the diversity of returns made by equal portions of capital applied to the same soil. But it will be better to let the teachers of the doctrine speak for themselves.

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* Without doubt, the gradual resort to inferior soils is also somewhat quickened by that fall in the profits of capital which is usually seen in the progress of society. But their influence on rents and wages will be noticed, when we inquire into the laws which determine the rate of those profits. For the sake of presenting the great causes of the progressive rise of rents with greater simplicity, it is now omitted.

Mr. Ricardo says, "If all land had the same properties, if it were boundless in quantity and uniform in quality, no charge could be made for its use, unless where it possessed peculiar advantages of situation. It is only, then, because land is of different qualities with respect to its productive powers, and because, in the progress of population, land of an inferior quality or less advantageously situated is called into cultivation, that rent is ever paid for the use of it. When, in the progress of society, land of the second degree of fertility is taken into cultivation, rent immediately commences on that of the first quality, and the amount of that rent will depend on the difference in the quality of these two portions of land.

"When land of the third quality is taken into cultivation, rent immediately commences on the second; and it is regulated, as before, by the difference in their productive power. At the same time, the rent of the first quality will rise, for that must always be above the rents of the second, by the difference between the produce which they yield with a given quantity of capital and labor. With every step in the progress of population, which shall oblige a country to have recourse to land of a worse quality, to enable it to raise its supply of food, rent, in all the more fertile land, will rise."

After illustrating the preceding views by supposing lands of different degrees of fertility, which he designates as No. 1, No. 2, and No. 3, &c., he adds:

"It often, and indeed commonly, happens, that before No. 2, 3, 4, or 5, or the inferior lands, are cultivated, capital can be employed more productively on those lands which are already in cultivation. It may perhaps be found, that by doubling the original capital employed on No. 1, though the produce will not be doubled, will not be increased by 100 quarters, it may be increased by 85 quarters, and that this quantity exceeds what could be obtained by employing the same capital on land No. 3.

"In such case, capital will be preferably employed on the old land, and will equally create a rent; for rent is always the difference between the produce obtained by the employment of two equal quantities of capital and labor. If with a capital of 1000*l.* a tenant obtain 100 quarters of wheat from his land, and by the employment of a second capital of 1000*l.* he obtain a further return of 85, his landlord would have the power, at the expiration of his lease, of obliging him to pay 15 quarters, or an equivalent value, for additional rent; for there cannot be two rates of profit. If he is satisfied with a diminution of 15 quarters in the return for his second 1000*l.*, it is because no employment more profitable can be found for it. The common rate of profit would be in that proportion, and if the original tenant refused, some other person would be found willing to give all which exceeded that rate of profit to the owner of the land from which he derived it."

Mr. M'Culloch, in his "Principles of Political Economy," after giving a similar explanation of the origin of rent, adds: "It appears, therefore, that in the earliest stages of society, and where only the best lands are cultivated, *no rent is ever paid.* The landlords, as such, do not begin to share in the produce of the soil until it becomes necessary to cultivate lands of an inferior degree of fertility, or to apply capital to the superior lands with a diminishing return. Whenever this is the case, rent begins to be paid; and it continues to increase according as cultivation is extended over poorer soils, and diminishes according as these poorer soils are thrown out of cultivation."

In a later work,* the same author thus explains the same theory: "When, in the progress of cultivation, that indefinable stage is attained at which the return to continued applications of capital to the lands entirely under tillage begins to decrease, additional capital will not be laid out upon them, nor will inferior lands be broken up, without rise of prices. The agriculturists, it is plain, would prefer vesting their savings in other businesses to employing them in agriculture, unless prices were such as to indemnify them for the diminished returns obtained in the latter. But in advancing countries, the increase of population raises prices to the limit required to obtain the necessary supplies of food; and in consequence of such rise, fresh capital may be again applied either to the improvement of the best lands, or to the cultivation of those of a lower quality. As soon, however, as this new investment has been made, different capitals employed in cultivation will be yielding different products; and it consequently follows, that to whatever extent the produce of the inferior lands, or of the capitals first laid out on improvements, exceeds the produce of the inferior lands, or of the capitals last laid out, *to that extent* will the profits realized by the owners or occupiers of the former exceed the ordinary and average rate of profit at the time; that is, they will constitute a nett surplus or rent.

"Suppose, for example, that the productiveness of capital, on a particular piece of land of the highest degree of fertility, begins to decline after it has been made to produce twenty bushels of corn; let it be supposed that by adding another capital equal to the first, not twenty, but fifteen bushels are added to the crop: these fifteen bushels may be said to be the produce of the second capital, and the twenty bushels of the first. As soon as this additional supply is called for, by an increase of demand, corn must rise until the fifteen bushels fetch as high a price as the twenty did before; for these, at their former price, did not afford more than the usual profits of stock; the fifteen bushels, therefore, will not afford this much until they rise to that price. But as the capitals are equal, when fifteen bushels come to afford ordinary profits to the second capital, they will also afford them to the first. Hence, the remaining five bushels form a surplus above the ordinary profits of stock; and this being the case, competition will make the farmers agree to pay them as rent to the landlord."

It thus appears, that Mr. Ricardo and his followers ascribe the origin and progress of rent, not merely to the fertility of the earth or its capacity of supporting a greater number than is required to cultivate it, and to the demands of an increasing population beyond the supply, but also to the different qualities of soil, or the different returns made by equal portions of capital successively applied to the same soil, or different distances from market.

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* Edition of the Wealth of Nations. Note on Rent.

But these diversities constitute no element of rent. They do, indeed, mark its progress, but they have no more agency in creating it than the rise or fall of the mercury in the thermometer cause the atmospheric heat or cold they indicate. In ascribing the gradual rise of raw produce (the acknowledged proximate cause of the gradual rise of rents) to the additional labor and capital expended to meet the additional demands of an increasing population, they have fallen into the common error of mistaking a concomitant for a cause. This further recourse to new soils or further outlay of capital on soils already in cultivation, are so far from causing the rise in the price of raw produce, that they always tend to retard the progress, and occasionally they may, for a time, be sufficient to arrest it. A slight examination of each of these diversities will make this abundantly clear.

1. *As to diversity of soils.* If this difference did not exist, and all land was of uniform fertility, provided that it was fertile enough to yield a surplus, after repaying the expense of cultivation, then, as those who were without land must necessarily give their labor and skill in exchange for the means of subsistence, there would be the same cause for the rise in the price of raw produce, as exists when there is a gradation of soils, or when there has been a short crop, that is, an increased demand in proportion to the supply. And though at first, when population was thin, the class of purchasing consumers may give little more labor for raw produce than had been expended in its production, yet, under these circumstances, the population would soon reach to the level of easy subsistence, and under its efforts to a further increase, there would be a competition among the laboring class by which the land owners would be able to obtain more and more labor for the surplus produce of their lands; that is to say, higher and higher rents. This competition, we must recollect, would be twofold; it would be both in the quantity of labor given and in the quality of the food received. The tendency of the first would be, to compel the laborer to give more and more days' labor for his subsistence; and, of the other, to make him pass from a dearer to a cheaper kind of food. Under their united influence, the laborer, who could once have obtained in exchange for his labor as much raw produce as the same labor could raise, might be compelled to take the small pittance necessary to his consumption.

Thus, suppose the land of a country capable of affording the necessaries of life to four times the number of laborers required to cultivate it, or that the labor of one family exerted on the soil could, after supporting that family, furnish the means of liberal subsistence to another family, of moderate subsistence to two families, and of very cheap subsistence to four or five families. By the influence of man's multiplying propensity, and the double competition which has been mentioned, the productions of the soil would, soon or late, come to be distributed among a small number of liberal consumers, a much larger number of moderate consumers, and a far larger number who would be sustained by the cheapest aliment. During this progressive increase of numbers, the class of landed proprietors would be continually receiving more and more of the skill and labor of the other classes in exchange for the surplus produce of their land, and the increasing profits of land imply a correspondent rise of rents.

Such has ever been the progress of society; and the gradual rise in the price of raw produce, being caused by the growing deficiency of supply in proportion to the demand for it, must equally take place, whether the soils are of uniform or diverse fertility. This progress may indeed be hastened, or retarded, or otherwise modified, in different countries, according to their physical condition, their civil polity, and moral character, but every where the relative value of raw produce and labor will be mainly dependent on the stage of society; and thus we see, that a day's labor, which exchanges in Ohio or Indiana for four pecks of wheat, will exchange for no more than from two to three pecks in the more populous states on the Atlantic, for one peck or less in England, for half a peck (or its equivalent in potatoes) in Ireland, and from the fourth to the fifth of a peck in India or China.

2. *Different returns of capital applied to the same soil.* Let us see how far this is a source of rent. If the preceding views have been correct, the inequality of these returns of capital is as unessential to the existence of rent as a gradation of soils; and if no larger amount of capital was ever laid out upon the soil, or if every successive portion yielded equal returns until the land had reached its maximum product, the price of raw produce, and, consequently, of rents, would continue to rise as at present. Neither of the cases supposed could have any effect, except so far as it altered the proportion between the supply of raw produce and the demand; and in one,—that of no further outlay of capital,—as an additional supply to meet the demands of an increasing population would be thereby arrested, the rise of price would be accelerated; and in the other case,—that of unequal returns from each successive outlay of capital,—as the supply would be thereby augmented, the rise of price would indeed be retarded, but could not be permanently prevented.

It is no doubt true, as stated by Ricardo, that, to furnish the required supply of raw produce, it is sometimes more advantageous to lay out fresh capitals on lands already in cultivation than to resort to inferior soils; and it is generally true, that each successive outlay yields a less proportionate return; but as rent necessarily rises with the price of raw produce, and as these outlays of fresh capital are always preceded by a rise in such price, and could not take place without it, it is clear that they are not the sources of rent. Like the resort to inferior soils, they are so far from causing the increase of rent, that they tend, by augmenting the supply of raw produce, to retard its further advancement.

3. *Different distances from market.* We have seen that one of the expedients for obtaining the additional supply of food required by an increasing population, is, to have recourse to more distant and thinly peopled lands, and, generally speaking, as the population of a community increases, the greater is the distance from which a part of its supplies are drawn. But, as more distant lands are not resorted to until the price has risen on those nearer to market, the remarks made on the other diversities apply to this. They tend to check the advance of rents, but have no agency in creating them.

It is not meant to be denied, that on comparing different portions of land with one another, their profits or rents will vary according to their respective distances from market, precisely as according to their respective degrees of fertility; all that is contended for, is, that the differences of distance or fertility could have had no agency in first causing rent on any one portion, or in increasing it afterwards. That, we have seen, arises from causes that are independent of these points of difference, as well as of the unequal returns to equal outlays of capital; and, therefore, in an analysis of rent, none of these diversities can be considered elements. As in all the three modes of obtaining an additional supply of food it is obtained at a greater expense of labor and capital, the supporters of the new theory maintain that it is in consequence of such increased expense of the food last raised, and which is necessary to meet the demands of an increased population, that the market price of corn is raised, and as the produce of all the lands is thus increased in value, rents must also rise. Mr. Senior, who has steered clear of many of the errors and inconsistencies of the new school, has adopted the same opinion; and while he has distinctly admitted that the difference in the fertility of soils, and the inequality of the returns made by successive applications of capital, are not necessary to the existence of rent, he thinks that these diversities, and that of distance, by increasing the cost of a further supply, do cause the gradual rise of rent by raising the price of raw produce.

But, while it is clear that these additional supplies must be raised at a greater expense of labor or capital, or both, it is equally clear that the market price of the rest of the raw-produce has not risen on account of the increased cost of the portion last raised, but such last portion is raised at the increased because the rest had advanced in price. This rose in price for the same reason that it rises after a scanty harvest or in a besieged city; that is, because there was a smaller supply of food in proportion to the mouths ready to consume it. There is, indeed, this difference between the two cases, that in the case of an inadequate supply from an increase of population, there is the means of adding to that supply in one of the three modes spoken of, but that only lessens the insufficiency, it cannot remove it. Such additional supplies of raw produce being the consequence of the rise of price, which itself was the consequence of the insufficiency, it would be a self-contradiction to suppose the continuance of such supplies without the continuance of a relative deficiency. The supply, then, thus raised, must fall short of the demand, and so far as the deficiency extends, it is the ordinary case of a rise of price from a limitation of supply.

The subject may appear yet plainer, if we consider what is really meant by the rise in the price of raw produce. It will scarcely be disputed, that by such rise we mean that any given quantity of it would purchase more labor than the same quantity would have purchased before the rise took place. All commodities fall under one class or the other, and there is nothing but labor with which we could compare raw produce whereby to test its rise or fall. But the rule must be reciprocal; and if raw produce, when compared with labor, has risen, labor, as compared with raw produce, has fallen, and it is because of this fall in the price of labor, that more can be expended on inferior soils with a smaller return. It is true that a decline in the rate of profits might induce a resort to inferior soils and to the other two expedients, no less than a decline in the rate of wages; but an increase of population affords an obvious reason for the last, and none for the first. Labor falls from the increased supply of laborers, precisely as raw produce rises from the diminished supply.

It follows, therefore, that, as a general rule, where the demands of increasing numbers is not met by improvements of the soil, additional supplies cannot be obtained without a reduction of wages. Thus, by way of illustration, let us suppose that a given quantity of land must produce twenty bushels to defray the expense of cultivation; that all the lands of that degree of fertility are cultivated; and that those of the next degree would produce but fifteen bushels. If population still increase, then the further supply of food it requires cannot be obtained from the inferior land, unless the capitalist will take a smaller profit, or the laborer lower wages; and supposing the ordinary rate of profits to continue unchanged, or even to have fallen one fourth, the only condition upon which the laborer will or can cultivate the inferior soil is, that he will take three fourths of the wages he formerly received, or yet less; and he is able to accommodate himself to the reduction by a difference in the quality of his food rather than of its quantity. And as the wealthy classes consume with undiminished liberality, the proportionate deficiency falls wholly on the laboring classes.

But Mr. Senior assumes that the price of raw produce rises with the wants and the wealth of an increasing community, and the case he has ingeniously put, by way of illustration, seems to support his position. It is that of a great metropolis, such as London, which annually requires for its consumption one million five hundred quarters of corn, of which the different portions can be produced at different rates of expense, according to their fertility and distance from market, and one portion, perhaps fifty thousand quarters, at an expense sufficient to absorb its whole value, and of course incapable of yielding rent. This portion, that which is last raised, " will continue to be produced as long as the wants and the wealth of the purchasers render them willing and able to purchase a quantity of corn, the whole of which cannot be supplied unless this last and most expensive portion is produced. If those wants and wealth should increase, it might become necessary to raise an additional supply at a still further additional expense;" which, as he properly remarks, could not be done, unless the market price of corn should rise sufficiently high to defray such expense.

Now, it is admitted in this case, that the rise which must take place in the price of corn does not necessarily imply lower wages on the part of the purchasers, or a diminished rate of consumption. But it is because the condition of the inhabitants of a great metropolis is very different from the laboring class of a community. The former have other sources of support than their labor, and the compensation which their industry receives is not regulated by that to agricultural labor. They are supported partly by the expenditure of the public revenue, as well as by the voluntary taxes levied on the lovers of metropolitan gayety and magnificence, and by the high order of skill and talent which are there accumulated, and by revenues drawn not merely from distant parts of the kingdom, but from remote colonies and foreign countries. With these resources, not only those who immediately received them, but also the vast multitude to whom they give employment and support, are able to meet the rise of price occasioned by an increased demand, without lessening the quantity of raw produce they consume, since their wages rise with the rise of raw produce; and we might as soon expect the compensation received by an artist, an ingenious mechanist, or a professional man, affected by the price of ordinary labor, as that the consumption of a metropolis will be affected by the gradual rise of raw produce. Nay, if the wealth and resources of the metropolis were to increase, the average consumption of its inhabitants might also rather increase than fall off; and there is, probably, more animal food now consumed by each individual in London, than was consumed two hundred years ago. The influence, then, of a great city, in raising rents, is local and peculiar, and furnishes no more arguments on the general question of their progressive rise, than the high prices in an army.

The rise of price in the raw produce consumed by a metropolis which must thus take place with its increase of numbers, therefore, causes a rise of rents in the way stated by Mr. Senior; but the rise of price from the different distances from whence the supplies were drawn, cannot be much in any species of raw produce, except of milk, hay, and other products, which, from their cheapness, or liability to change, cannot be transported from a distance. Notwithstanding the poorness of much of the land near London, it is probable that a circle of twenty miles from it and around it would produce all the corn required for its consumption, and the cost of transportation per quarter, (equal to four hundred and eighty pounds,) from the extreme verge of the circle, would not exceed two shillings, and consequently could not raise rents more than six shillings an acre, on lands of the average fertility of three quarters, which sum is not one sixth of the present rent of such land. Of course, the mere effect of distance could have contributed little to the progress of rent, more especially as the facilities of transport by canals and improved roads has greatly exceeded the growth even of London itself.

The case then put by Mr. Senior, plausible as it at first seems, does not really afford any better support to the new theory of rent than the illustrations offered by Messrs. Ricardo, Mill, or M'Culloch; and in the fallacies that lurked under all of them, he might have found a better reason why that theory had not been adopted by foreign political economists, (including Storch and Say,) than that it was not comprehended by them.

From the preceding views, it follows, that the rent or profit of lands depends upon the quantity of labor which their products will purchase, over and above what has been expended in its production. This quantity of labor depends on the value of such surplus and its amount. As its value depends upon the proportion between the supply and the demand, it will be increased by the fresh demands of an increasing population. It is true that the supply may be also increased by expending more labor with a smaller return; but as this supposes a decline of wages, or, what is the same thing, a rise of raw produce, it also supposes that the additional supply has not been equal to the additional demand. We come to the same conclusion by another process. As the wages of labor, estimated in raw produce, gradually decline with the increase of population, (supposing improvement stationary,) the cost of cultivation gradually becomes less, and consequently the surplus becomes greater. Rent, therefore, naturally increases with the growth of population. An increase in the quantity produced tends to lower the price of raw produce, and if the difference of price should exceed the difference in quantity, (which is not probable,) it may lower rents. But should that be the case, the population, by the ever active principle of increase, would soon so increase the demand, as to restore the price of raw produce to its former level.

It follows, too, that where rents increase without any improvement in the productive powers of the soil, it implies a greater cheapness of labor, or smaller wages, estimated in raw produce; and where wages, thus estimated, continue the same, while rents have risen, the rise has been altogether the effect of improvements. This seems to have been the case with England for the last century. In that period, her laboring class has received the same real wages,—that is, about a peck of wheat a day,—and the great rise of rents which has taken place within the same period has, therefore, been owing to the various means by which both the gross product of the land has been increased, and the expense of cultivation has been diminished, such as the turnip and the drill husbandry, and yet more by the draining of bogs and marshes, and the enclosure of commons. By this means it is computed, that the gross product of the soil was nearly trebled during the last century, though the population, in the same period, had only doubled; and thus the rise of rents was not attended with a fall of wages. A further cause of the extraordinary rise of rents in that country, is to be found in the additional value which has been given to such products of the soil as enter into their manufactures, and which, by the skill of her workmen and the excellence of her laboring machinery, she is easily able to levy, not only on her numerous colonies and dependencies, but also on all foreign nations accessible to her commerce.

The true principles of rent having been thus investigated, we shall proceed, in the next number, to show, first, that the doctrine of the Ricardo school, which would connect the theory of profits with that of rent, is erroneous; and secondly, what appears to us to be the true theory of profits.

ART. II.—THE DISTINCTIVE PROVINCES OF THE POLITICAL PHILOSOPHER AND THE STATESMAN.*

WE live in an age and country eminently distinguished by the efforts that are made for the advancement and diffusion of knowledge. And while the praises of science are on the lips of the educated, its applications to the arts of life, multiplying a hundred or a thousand fold, in many instances, the natural and unassisted powers of man, are of a nature to call forth the admiration of those who are most ignorant of its principles.

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* A Lecture delivered before the Mercantile Library Company of Philadelphia, November 29th, 1839, by Professor HENRY VETHAKE, L.L. D., author of a Treatise on Political Economy, editor of a new American edition of McCulloch's Dictionary of Commerce and Commercial Navigation, etc.; now first published in the Merchants' Magazine, from the original manuscript, politely furnished by the author.

In such a condition of society, it may perhaps seem, at first view, an act of supererogation to occupy my hearers, for the shortest period of time, in exhibiting to them the advantages to be derived from any particular department of science; or in claiming for its cultivators a higher rank in the public esteem than has been generally conceded. This would, obviously, be the case, were the different sciences in reality appreciated according to their relative importance. They are however, I think, very far from being thus appreciated. The mathematician enjoys peculiar advantages in the exactness of the relations, of number and quantity, with which he is conversant; and the investigations of the natural philosopher and the chemist can be submitted, with comparative facility, to the infallible tests of observation and experiment. A scientific discovery is no sooner announced from any of the quarters just mentioned, than it is accurately examined by a number of individuals competent to the task; some of whom may, not improbably, have been on the verge of making the very same discovery. These inquirers, too, are certain of arriving at the same results. The verity of the discovery in question is, in this manner, confirmed or disproved; and all ground for dispute concerning it, at once and forever, dispelled.

I need scarcely say how different from all this is the history of discovery in the moral and political sciences. How long, for example, has it not been since the expediency, not to speak of the justice, of toleration, has been pointed out by the philosopher, and how earnestly has he not endeavored to impress his fellow-men with a conviction that the most effectual, as well as most expeditious mode, of promoting the cause of truth, is by permitting it to be subjected to the widest and the freest discussion! Yet there are numbers who still hold to a contrary opinion. The experiment of intolerance, nay even of persecution, has not ceased to be repeated; although, it is true, in a somewhat mitigated form. In what corner of the civilized world, in the middle of the nineteenth century, may it be asked, can an individual, who is resolved on exercising *an unlimited freedom of thought and expression,*—I do not mean in reference to the moral or immoral conduct of *persons*, but to the propriety or impropriety, the truth or falsehood, of the passing events or prevailing dogmas of the day,—find an undisturbed home? And who is there among ourselves, in republican America, that does not occasionally deem it to be his best policy to set a guard upon his speech, in order that he may evade the tyranny of opinion, and that he may not unnecessarily raise up obstacles to his success in life?

An illustration which may be here adduced of the difficulty, or rather impossibility, of procuring a general assent to the conclusions of political science, is presented to us in the instance of the constitution of the United States. The men who assembled in convention at Philadelphia, in May 1787, and who framed that immortal instrument, have been commonly denominated statesmen. They were truly entitled to the name, in its most exalted acceptation. But they were also *discoverers in science.* If no one of their number deserve the credit of having been the first to broach the great principle on which the constitution is constructed, and which distinguishes our political organization from every other heretofore existing, to wit, the partition of the functions of government into two distinct classes, and the assignment of these to two separate, though not clashing authorities,—the general and the state governments,—the members of the convention as a body may, nevertheless, be regarded as having put forth in their completed work, not merely a condensed statement of the results to which philosophy had already arrived in one of its most important fields of investigation, but likewise a plan, in a great measure new, for securing the blessings of political liberty to a people spread over a widely extended territory, and differing so much in their local customs, and real or supposed local interests, as to render it impracticable for them to unite together under one *consolidated* government. Those of my audience who are familiar with the history of the period, when the constitution was framed, cannot fail to be aware of the misgivings, as to the success of the great experiment to which it was about to be subjected, which were expressed both at home, and by many among the most enlightened friends of our country abroad. The strongest apprehensions were entertained, lest the bonds of our national union should not, on some emergency, prove sufficiently strong to prevent the states from falling back into independent sovereignties; and also lest the elements of democracy among us should become uncontrollable by the checks provided in the general or state constitutions, and we should be thereby plunged into anarchy, with all its attendant horrors. For fifty years has the experiment endured, and the consequences apprehended have not ensued. But the prophets of evil to come are not yet silenced. Such, moreover, may quite probably be the case after another and another half century, and, very possibly, until our political institutions shall have undergone a successful trial for a longer period than those of any other nation of ancient or modern times.

And as in the instance we have been considering, so in almost every other which may be furnished to us by the political philosopher, experience alone will be utterly inadequate to put a disputed question at rest. The causes, or principles, which act on the complicated machinery of human society are so numerous, and so diverse in the mode and degree of their operation, that the effects actually resulting will, in nine cases out of ten, be attributed by different individuals to different causes; according to their various powers of logical discrimination, or, quite as often, according to their respective prejudices of education or of interest.

Wanting then, for the most part, in the relations with which it is concerned, that definiteness which characterizes the objects to which mathematical reasoning is applied,—laboring, besides, under the disadvantage of its conclusions, unlike those of the natural philosopher, not being in all cases susceptible of undergoing with promptitude the test of experiment or observation,—it is not at all surprising that political philosophy, in whose province it lies to propose innovations on the established principles of action in that wide range of legislation and of government which is grounded on expediency, should be looked upon with distrust by so many among the more conservative portion of mankind, and be even denied by them its claim to the dignity of a science.

The persons to whom allusion is at present made are by no means inconsiderable in number. All men are indeed, in a greater or less degree, under the influence of conservative principles; for all are more or less the creatures of habits, and *therefore* indisposed to change of any kind. Again, the natural self-love of men leads them to put an undue value on what belongs to themselves. In accordance with this principle, they are apt to deem it a part of patriotism to regard their own country, be that country Pennsylvania or Lapland, as already enjoying an extraordinary share of prosperity,—and to exult, too, in the idea of their lot having been cast precisely in the most enlightened period of the world. And if an individual happen to occupy a comparatively elevated position in society, either because of his wealth, or office, or talents, or for any other reason, he will, on this account also, be led to exaggerate his country's prosperity, readily identifying it with his own. He will thus come to look with complacence on things as they are, and to resist the introduction of any proposed innovation; at least unless the argument in behalf of it be of the most convincing nature. But if, in addition to these sources of conservatism, the private interests of the party be connected with institutions which, instead of being the natural growth of the circumstances in which the community of which he is a member is placed, are the results of artificial enactments, likely to be swept away in the progress of improvement, the feelings which will be excited in his breast against any alteration of the existing condition of things, and against those who propose and urge its adoption, will be much stronger still.

Of the last mentioned description of persons will be found chiefly to consist the class of men who denounce the speculations of the political philosopher, and more especially of the political economist, as not composing a science, but as merely a bundle of theories, that are wholly inapplicable in practice,—or, if thus applicable, only with detriment to the best interests of society. To pronounce the word theory! with an indication of contempt, is, by many of this class of men, regarded as a sufficient refutation of the most elaborate process of reasoning which militates against their favorite views of expediency, and as justifying them in an entire neglect to examine what their opponents have to say for themselves.

It is my object, in the present lecture, to vindicate the doctrines of the political philosopher from such contracted views as these; and to endeavor, as concisely and perspicuously as I can, to draw the line between his province and that of the statesman, as well as to point out the duties which they respectively owe to their fellow men.

Now, in undertaking to animadvert on the opinions of others, it is always proper to pause at the outset, to ascertain what those opinions really are. Accordingly, the question may here be asked,—what do the parties mean who employ the word theory in a disparaging sense?—And what do they intend to signify when they contrast it disadvantageously with practice? Their language would certainly seem to imply a disapprobation of all theory whatever. If so, they must, to be consistent, pass a sweeping sentence of condemnation upon every exertion of man's reasoning faculties, and declare war indiscriminately against all the sciences alike. The astronomer must be transformed into a mere star-gazer, with no other design on his part than to record the now uninteresting, because unconnected and *lawless*, phenomena of the heavens. The jurist, should an utter despair of success not at once deter him from the attempt, instead of arguing from the immutable principles of right and wrong, and the analogy of former juridical decisions, must limit his inquiries to a search among the thousand volumes of "reports" which are piled on the shelves of his library, to see if, peradventure, he may find in them a *case* where *all* the circumstances are precisely the same as in that on which he is called upon to decide. In short, that glorious *intel-*

lect which has successfully explored so many of the minutest as well as the most remote recesses of creation, must be altogether degraded and stultified. Such, then, cannot be the meaning of the contemners of theory, of whom I have been speaking.

Some of them would, perhaps, tell us that, so far from having any objection to a theory as such, or to the exercise of our reasoning powers in the attempt to establish a just theory in any of the branches of human knowledge, they only set themselves in opposition to theory when it is contradicted by practice, or, in other words, by experience. With these gentlemen the political philosopher would find no difficulty in agreeing He maintains as strenuously as they do, that no theory which experience has contradicted ought to be regarded as of any value; and the only question which can possibly arise between them is as to whether experience has so decided or not, — a question, as has been before stated, not always of easy solution. Both the parties may, in the meanwhile, be equally urgent, or equally unwilling, that a particular theory, which has not as yet been tried, should be subjected to an experimental test.

Others, again, take the ground of all speculation, or theorising, respecting political matters, being objectionable only on the homely principle of letting well enough alone. They imagine the existing condition of things to be so very prosperous that it would not be good policy to hazard any the slightest alteration in it unnecessarily; that, while it is quite possible the measures suggested by the political philosopher might prove, upon trial, to be beneficial to his own country, and to every other, it is most probable their effect would be found to be otherwise; and that the functions of the legislator ought, therefore, to be confined to the enacting of laws for guarding, as much as possible, against the changes which time itself, not inappropriately styled the greatest of innovators, has ever a tendency to introduce. Now if these views be correct, all political improvement must be at an end; for improvement implies change; and change is the great evil that is deprecated. The spirit of intolerance and persecution should never have had a check; nor ought these United States to have declared themselves free and independent sovereignties, or framed a constitution for confirming and perpetuating their union under one general government.

Here, however, we may be told that, although the prosperity of the more civilized nations of the age in which we live has reached to so high a point as to render a rigid conservatism the proper course of public policy, time was when the case was very different, when innovation on the then existing political institutions, and revolution itself, was justifiable; and that, consequently, all argument against a rigid conservatism drawn from the history of the past is unfair and out of place. Let this position be assumed: it will be of no avail. It may be met by a denial of the prosperity alleged. The most superficial glance, for instance, cast by an American on the condition of the people of Great Britain, must suffice to satisfy him, if he truly have the feelings of an American, that, in that enlightened country, there is no small room for political improvement or reform. It must be wholly unnecessary to adduce any facts in proof of what I now assert; because Englishmen themselves, with the exception only of the Tories of the highest stamp, are equally ready to express their conviction of the expediency of such a change. They differ among themselves, it is true, exceedingly, as to the extent of the change that is desirable. But this is of no moment in reference to the point now under consideration; since I am at present arguing with those who are supposed to contend for the preservation, *in its integrity*, of the actual condition of things. Next, if an American look to his own fellow-countrymen, will he perceive no indications of depression or distress, in the circumstances in which they are situated, which calls for the enactment of new laws,—not for the purpose simply of supplying defects in the laws already enacted, but for the introduction of positive improvements into several of the most important branches of our legislation? There is, surely, no small portion of my audience who reply mentally to this question in the affirmative; and I may take it for granted that not a few of this portion of them would be prepared to offer as an illustration in point, if they were required to offer one, the present *monetary system* of the country. While they might not be able to come to an understanding with respect to the system to be preferred to it, one being in favor of the adoption of a purely metallic currency,—another of a mixed currency composed of the precious metals and of convertible bank notes of the higher denominations only,—another in favor of such a currency composed in part of those metals, and in part of a paper medium issued by the government and kept always equivalent to specie,—and another, again, giving a preference to the existing banking system when modified by once more incorporating with it a national bank;—they would all of them unite in deprecating the continuance of things as they are. Something, they would say, must be done, to prevent those alternate expansions and contractions of our currency, which at one period stimulate the merchant to enter into pecuniary engagements, and at another take away from him the power of complying with these very engagements, and which periodically produce in the community at large all the well known evils that are consequent on the unsettling of the value of money. And scarcely any of them would be backward in giving his reasons for thinking as he does; that is, every one would have his *theory* on the subject.

I have specified only one subject on which the community are divided in opinion, and concerning which men are disposed to theorize, and *this* one that has been extensively treated by the political philosopher. In the very same manner do men, in general, proceed in relation to every other subject lying within his province. And the professed despisers of theory themselves form no exception to this remark. They hesitate not to argue in opposition to *his* theories, by arguing in support of *their own*. In every point of view, then, that we examine the great argument, if argument it deserve to be called, so frequently put forth in refutation of the conclusions of the political philosopher, its absurdity is depicted in the most glaring colors.

Where we reason at all, there we have a theory; and when there is a theory referred to, he who refers to it acknowledges the existence of a *science*. There is no ground, therefore, for denying to political philosophy a title to rank as such. But to dignify it by the name of a science will serve little or no purpose, if its conclusions are as uncertain as its detractors would endeavor to make it appear; or as they might, perhaps, hastily be inferred to be from the comparisons, between it and some of the other sciences, in the present lecture. On a moment's reflection, however, it must be manifest that one department of our knowledge may not admit of the same species of evidence, or of the same mode of reasoning, as another, and yet be equally certain with it. We are, for example, quite as well assured that Julius Cæsar lived, and triumphed at Pharsalia, as that two and three make five, or that a stone thrown up into the air will fall to the ground. So the conclusions of the political philosopher, and of the political economist in particular, though not always of a nature to be promptly tested by experience, are very often quite as certain as if the contrary were the case. This arises from their being deduced as much as possible, by a step or two only of reasoning, from principles on which experience has already pronounced a favorable verdict, and which, on this account, are universally admitted to be true. Those conclusions indeed, it must be acknowledged, are also often only probable; in all which cases the political philosopher makes it his especial care to estimate the degree of the probability in question, and to state it to others. Just in proportion, too, as he has doubts himself of the correctness of any of his conclusions, will he be indisposed to press them upon the statesman as principles of legislative action, and will he hesitate to subject them to experiment, excepting under the most propitious circumstances. How absurd then, may I again say, is it to charge him with being a mere theorist, or visionary!

So little, too, is he chargeable with a disposition to overlook the considerations which interfere with the practical application of his theories, that he inculcates it,—and earnestly inculcates it,—as a principle, to be borne in mind by every individual who is called upon to influence by his vote, or otherwise, the course of public policy, that *all political change is in itself an evil;* the infliction of which on society can only be justified by the preponderating benefits that are to be consequent upon it. And to trace the nature and amount of the evils attendant on the *introduction* of any change proposed by him, he regards to be as much in his province as to point out the expediency of the change itself.

The evils which necessarily accompany every political change, that is every change in the existing constitution of government or in the system of legislation, I may mention, may be arranged under two heads. Every such change, in the first place, tends to weaken the respect of the people generally for authority and for law, a respect which, for the sake of public order, and public morals also, it is very desirable should be maintained; and secondly, it is scarcely possible to conceive of the occurrence of any change of the kind supposed, without its affecting, in a greater or a less degree, the vested interests of individuals, or even of whole classes or nations. Time will not permit, nor is it at all necessary for me to offer any illustrations under the former of these heads. The proposition asserted is of a nature to speak for itself. But it may be interesting to specify a few instances illustrative of the second head; and, in addressing myself to an audience composed so largely of members of a mercantile association, I may be permitted to select these instances chiefly from such as are more or less connected with commerce.

Previous to the treaty of Westphalia, in 1648, the city of Antwerp, though already declined from its former splendor, was still a place of considerable trade. It was then stipulated, by Spain and Holland, that the navigation of the Scheldt, the river on which it is situated, should be closed. This stipulation was observed until the occupation of Antwerp by the French in the course of their revolution, when it was abolished.

The commerce of that city has since become of importance, at the expense of Amsterdam and Rotterdam; which, but for the opening of the former port, would have been almost the exclusive ports for Belgium, as for Holland itself. A disadvantage was thus incurred in one quarter, for the sake of what no one can doubt to have been a more than counterbalancing advantage in another; and Holland has been made to pay, in the nineteenth century, the penalty for violating the laws of nature, by arbitrary enactments, during the seventeenth and eighteenth.

But many of the cities of the Netherlands, and so too Venice, Genoa, and other cities of Italy, which were once celebrated for their commerce or manufactures, have declined from their former grandeur; and this without any such palpable interference with the designs of the Creator as in the case just now considered. This has, *in a measure*, arisen from the gradual development of the resources of other European countries,—of France, of Germany, and especially of England,—countries where, for various reasons which I cannot stop to mention, the spirit of improvement and of commerce was comparatively slow in stimulating the industry of the people and the accumulation of capital. Italy and the Netherlands, being thus deprived of a monopoly which God and Nature never intended them to possess, now find it an evil to have possessed it,—an evil, however, coming in the train of a much greater good bestowed upon mankind.

Passing now from cases where nations have been the sufferers from changes, which are notwithstanding acknowledged to have been beneficial in their general results, to others in which the accompanying evil is incident on a particular class or classes of a community,—let us suppose the British government of the present day to repeal those laws whose effect is to restrict, and, under ordinary circumstances, to prevent altogether the importation of foreign grain into Great Britain. Such a measure would evidently be productive of advantage to the United States, as well as to other grain-growing countries. The political economist goes farther than this; maintaining it to be of still greater *ultimate* advantage to Great Britain herself. But be this as it may, there can be no doubt that she would experience a certain amount of temporary inconvenience. Not to mention all the evils that would be incurred, the price of agricultural products in that country would necessarily fall, on account of their influx from abroad. This will reduce the profits of the farmers; who will find it difficult to pay their rents, and who will be obliged to curtail the expenses of their families. As the existing leases, however, expire, their rents will be lowered, and a portion of the loss incurred by them will be transferred to the proprietors of the land. The inferior soils will be withdrawn from cultivation, and capital will for a time be applied to manufactures and commerce, in preference to agriculture; until, in the next generation, while all classes will continue to consume cheaper food, the farmer will be once more enabled to realize the fair returns of his capital and labor. It may be added that the incomes of the land-owners will be permanently reduced. This, too, is an evil, and an evil to be lamented; however more than compensated it may be by the cheapening of bread.

Next let a change be supposed to take place of a directly opposite character, For example, let the duties on the importation of foreign woollens into the United States be raised, and additional encouragement be administered, in consequence, to the American manufacturer. I mean not here to inflict upon my auditors even the most cursory discussion of the tariff question, so opportunely a few years ago laid at rest, but now again mooted in certain quarters; but merely to point their attention to the circumstance that an evil, in the case supposed, is not unlikely to result, at the outset, to the very class of persons whose especial benefit the measure in question would be designed to subserve. Experience, in all similar cases, has abundantly shown that so many persons will be apt to engage in the branch of industry encouraged, as, by augmenting the supply of the article produced, to lower *for a time* its price, and therefore the rate of profits received. Many of those capitalists who will have been induced to invest their means in the woollen manufacture may thus become embarrassed, and be obliged to sell out their establishments at a considerable reduction from their original cost. And it is after a certain period only that the manufacturers will enjoy the advantages which the enhancement of the duty on the foreign commodity may be calculated to bestow upon them.

The effects, also, I may here remark, are quite analogous when extraordinary encouragement is unexpectedly held out to *personal services* of any kind. This I may be allowed to illustrate by what befel a young man who emigrated from his native state of Massachusetts to what was then the far West, some fifteen or twenty years ago. Having just completed his course of legal study and been admitted to practice, he happened to read in a newspaper a letter, addressed to the editor from a correspondent in a certain town in Ohio; in which letter that part of the state was represented as laboring under the singular inconvenience of a lack of lawyers, when compared to the amount of litigation occurring. There, said he to himself, is the very place for me to take up my residence. There I shall not only be able to maintain successfully the struggle against poverty, and the evils inseparably connected with it; but I cannot fail, besides growing rich, to get into the legislature, or be sent to congress, and perhaps I may stand a good chance of occupying eventually a yet more exalted post. His preparations for setting out to this land of promise were not long in being made; and a few weeks brought him to his journey's end. What was his disappointment, however, when he found that he had already been anticipated by others, operated upon in the same manner as himself, and that, in fact, a convention of gentlemen of the bar had, without preconcert, assembled together from various parts of the Union,—all of them in quest of what very few could really find! Their deliberations, as might be readily conceived, terminated in the greater number taking up their line of march to points still nearer to the Rocky Mountains.

I may present, as *one more* illustration of the same principle, a *fact*, which those among my auditors who have been inhabitants of a small town may, not improbably, have had an opportunity of observing. This is that, on the death of a physician of repute in such a place, not another only, but some three or four others are very apt, on hearing of the opening, or, in mercantile language, of the demand, thus unexpectedly created for their professional services, to come to reside there, and to contend with each other for the vacant spoil; their differences being at last composed, as in the instance of the lawyers already mentioned, only by all but one or two of their number moving off to repeat their experiments elsewhere.

The evils of change, political or otherwise, to which the attention of my hearers has been called, have been almost exclusively of a pecuniary nature. Such evils are, in some instances, accompanied by moral evils, of a character and magnitude to render the former, however considerable they may be, of comparatively little importance. To mention one instance only, but one of a very aggravated description;—when the value of money, and therefore of commodities and property of all kinds, is continually fluctuating, the worst effect produced certainly is not the inconvenience or distress which the community experiences from a derangement of the relations of debtor and creditor. It is the stimulant that is thus administered to the spirit of speculation;—a spirit very nearly allied, identical indeed, if not restrained within its proper bounds, with that of gambling,—which stamps the condition of things supposed, emphatically, with the seal of condemnation. The merchant, when transformed into the speculator, is in haste to be rich; and, despising the regular paths of mercantile industry, he rushes forward, reckless of consequences, along ways beset with briers and thorns, of a nature to pierce him to the very soul, and to harass him his lifelong with the most distressing anxieties and cares; even though he should succeed in accumulating a great fortune, and in securing it for the use of others after his death. But in the far greater number of cases success does not ultimately ensue. Like the gambler at cards or dice, the speculator, stretching his credit to an extreme, is liable, in his habitual state of excitement, to go on doubling his stakes, until, on a sudden, his schemes are frustrated, and he finds himself reduced to a condition of utter bankruptcy. And the same result is very commonly brought about by his holding on to his purchases, in his desire to grow rich, so long that time is given for a reaction to take place in respect to prices; when, instead, of being a gainer, he becomes a loser to a considerable extent.

That those who are apparently in the least haste to be wealthy are frequently most apt to become so, may be illustrated by an anecdote, which I have somewhere met with, concerning Mr. Ricardo. This distinguished political philosopher, statesman, and *merchant*, began life with an inconsiderable capital, and died worth several millions of dollars. Shortly before his decease, he was asked by a friend in what way he had contrived to accumulate so much wealth, and whether he had any secret to impart, by a knowledge of which another could profit, in order to accomplish a like result. The answer returned was,—"my whole art in getting rich lay in my being always contented with small profits; or, in other words, never holding on to the commodities or goods in my possession too long, when small profits could be had, in an ill-grounded expectation of realizing eventually a higher rate of profit. I had my eye, for example, upon every new road, bank, or other joint-stock concern, and, where I deemed the prospect of success to be a fair one, I was ever ready to buy a certain number of shares. These shares, from the nature of all new undertakings of a joint-stock character, seldom failed, after a short time, to rise in value beyond the point about which they would afterwards have a tendency to fluctuate. Before the full accomplishment of this rise, however, my shares were in most instances already disposed of to others, and the proceeds invested in a different manner." Thus it was that he acquired a certain amount of wealth, and not wealth only, but likewise the reputation of being a judicious speculator. "It was then," added Mr. Ricardo, "that a new element of success was spontaneously presented to me. Many persons, who had heretofore been unsuccessful in acting on the suggestions of their own judgments, preferred now to be guided in their speculations by what they supposed me to be doing. My example was continually referred to on 'Change. One said, not unfrequently, to another,—Mr. Ricardo has purchased this and that article or stock, and, depend upon it, you cannot do better. In this state of things, it must be manifest that I may often have created that very demand which enabled me to dispose of the article purchased, with a small profit, only a very short time afterwards. At length, such had my reputation as a successful speculator become, that I have sometimes thought it possible for me to have gone into the market and purchased at random, no matter what, with a good prospect of advantage to be gained by selling out again promptly."

And here I cannot but express a hope that my mercantile hearers will pay a due attention in all time to come, to this maxim of Mr. Ricardo, *to be content with small profits upon their goods*,—that, by so doing, they may secure to themselves the double advantage of at once acquiring wealth, and of earning the approbation of their customers, the *non*-mercantile portion of this assembly.

Before proceeding with my subject, it is proper to observe that, in the remarks which have been made in relation to the gambling and immoral nature of the commerce of speculation, as we have seen it carried on in our day, and before our own eyes, there has not been the slightest intention to reflect *injuriously* on our merchants, or on the mercantile profession in general. The merchants of thirty years since, as well as the men engaged in every other profession or business, placed under the influence of the same causes, would all have acted in the same manner, and would, in as many instances, have called down upon themselves the animadversions of the moralist; who, bearing this in mind, should always with his censures, inculcate upon the community, and upon the legislators who are their representatives, the *duty* of seeking for and applying the proper remedy, whatever it may be, ase ffectually and speedily as the nature of the case will permit.

Another remark which I wish to make, to prevent myself from being misunderstood, is that I am far from meaning to condemn the commerce of speculation universally. When confined within the limits prescribed to it by the changes which *naturally and unavoidably* occur in the relations of supply and demand, it is, there can be no doubt, a *productive* branch of industry, and as productive as any other. I cannot now dwell on this topic; and shall merely mention that it performs the important function of diffusing the supply, and therefore the consumption of a commodity, as uniformly as is possible, over a certain period and space,—and that this remark may be applied to the business of speculating in the necessaries as well as in the mere luxuries of life. The merchant, for instance, who buys up *flour* at a low price, on an apprehended scarcity of this article, with the expectation of selling it after a time at a much higher price, instead of deserving the odium that is so often attempted to be excited against him, ought to be regarded as a public benefactor, for withdrawing a portion of the flour in the market, from present for future consumption, when it will be most needed.

But to proceed. Since then, according to the acknowledgment of the political philosopher himself, evils, often of a serious nature, accompany the introduction of the improvements recommended by him,—is there not some danger of his pushing forward his investigations too fast? May he not become instrumental in causing too rapid a change in the institutions of society, so as to inflict upon the existing generation of men, for the benefit of the generations to follow, altogether too heavy a burthen of disadvantage and distress,—a burthen, also, which no one will suppose the former called upon, from any considerations of justice or expediency, to bear? A sufficient answer to the objection, implied in this question, will be simply to direct the attention of my audience to the fact of its being equally applicable to the progress of invention in what are commonly, although improperly, denominated the useful arts; as if these were, what they are not, the only arts of any utility to man. No improvement can here be introduced, any more than in the art of government, which will not be productive of temporary inconvenience, by its effects on the vested interests of some portion or other of the community. Yet no one has hitherto dreamed of interposing discouragements to the progress of mechanical or chemical science; and *he* would be pronounced by most of us to be beside himself, whose apprehensions of evil, to be derived from the source of which I speak, should lead him to say to the force of *steam*, so far shalt thou go, and no farther;—and who, admitting, for example, the propriety of its assuming to itself the almost exclusive navigation of the Hudson or the Mississippi, should attempt, for the protection of the ship-owners, to arrest the triumphant progress of the "British Queen" o'er the waves of the Atlantic.

Independently, however, of any comparisons of the kind which has just been stated, may not the ground be taken with entire propriety, that every attempt, no matter from what motive, or on what pretence arising, to restrain the inquiries of the human mind in any of the channels in which they may be directed, is an act of the grossest presumption, and even of impiety, and, *for this reason*, to be condemned? For the results to which we shall be led by those inquiries can only be a more extended knowledge of the ways of the Creator, that is of the Creator himself, in the laws to which he has subjected the changes that are perpetually occurring in the intellectual and material worlds. It is not for puny man to pronounce such knowledge to be susceptible of an injurious tendency. To do so would, indeed, be to deny that God is good, or, in other words, to take from him one of those essential attributes, without which he would cease to be God. We may rest assured that, whatever efforts are made by individuals or nations to promote or retard the progress of improvement, the progress actually achieved in a given time will always be such as is adapted to the circumstances in which man happens to be placed. Let him therefore, as his duty is, employ all the talents and opportunities, which have been bestowed upon him by a bountiful Providence, in exploring the field of knowledge; without being unnecessarily concerned about the remote or imaginary results that may ensue from their employment.

But unfortunately for the man of science, whatever may be his particular department, his discoveries have almost always been slow in being incorporated into the general stock of human knowledge. Even where experiment could be readily appealed to for proof of their validity, men have for a period refused to acknowledge them. It is somewhere said that no physician in Europe, above the age of forty, could be persuaded by Harvey to put any faith in his great discovery of the circulation of the blood; and that it was requisite for a whole generation to die off, before a belief in it could be fully established. Almost every one, too, is familiar with the reward which Galileo received for disclosing to his contemporaries some of the noblest truths of physical science. There were those to be found among them who, while they boasted of their superior knowledge and enlightenment of mind, yet hesitated to look through his newly invented telescope, lest peradventure they might be convinced of the erroneousness of their views, concerning the system of the universe. And even the illustrious Lord Bacon, the founder of the modern school of inductive philosophy, produced comparatively little impression on the public mind of his day, and had to console himself, for present neglect, by looking forward to what was to occur long after he should have passed from the stage of life. "Nor was Bacon himself," says Dugald Stewart, "unapprized of the slow growth of his posthumous fame. No writer seems ever to have felt more deeply that he properly belonged to a later and more enlightened age;—a sentiment which he has pathetically expressed in that clause of his testament, where he 'bequeathes his fame to posterity, after some generations shall be past.'" Need we, then, wonder why every systematic attempt which has been made, of a still later date, from Montesquieu to Bentham, to develop the principles of any branch of political science, should have been received with so much distrust, and be condemned unheard by so many among the educated, but unthinking portion, of mankind.

The political philosopher, notwithstanding, is not without auxiliaries,—and auxiliaries, too, capable of acting with extraordinary power on the public mind, and therefore of contributing very efficiently to the advancement of society in the career of improvement. Of these, the one claiming our chief attention is the statesman. What is the relation in which he stands to the philosopher? And what are the duties he is called upon to perform towards the community to which he belongs? He ought, in the first place, to make himself acquainted with the principles of political science, together with the measures to which these have been shown to lead; not for the purpose, however, of urging the immediate adoption of *all* such measures by the legislative body of which he is a member, or over which he exercises a degree of influence. His position is essentially different from that of the political philosopher. He cannot *afford* to act in the manner just stated; for to act thus would forfeit the good opinion of the individuals to whom he addresses himself, and deprive him of his general popularity. Nearly all the world would stigmatize him as a visionary, disqualified for the practical duties of life. Influence, in consequence, he could not have; and statesman he could no longer be. Even the political philosopher would loudly condemn his course, as calculated to bring into discredit the very measures of which he is so precipitate and zealous an advocate.

No! the statesman is not called upon to sacrifice himself on the altar of science. Fortunately for him, he can employ his scientific knowledge, without incurring a risk of inconvenience to himself, bearing any comparison with the good it may enable him to confer upon his fellow-men. It will serve him as a sure and constant guide to what quarter in the field of political improvement he should direct his exertions; telling him what old laws should be repealed and what new ones enacted, *as soon* as the opinions of those with whom, or for whom, he is called upon to act, will allow. And even where the force of public opinion, as in our own country, is such as to exact from the legislator or statesman the most implicit obedience to its dictates when unequivocally expressed, he will, in consequence of his science, be furnished with the means of giving that very public opinion a beneficial direction. While acknowledging himself to be the servant of the people, he is a servant who has no small influence with his masters. There is, indeed, no country where the statesman, for the time being, has an opportunity of controlling in a greater degree the opinions of the people than in these United States. A species of idolatry towards our prominent statesmen pervades the nation; and there are thousands and tens of thousands, of those who esteem themselves to be very enlightened voters, who might be led to adopt almost any opinion, concerning the most important questions of public policy, in favor of which their political leader would declare himself.

Suppose now the statesman, either from the force of conviction, or from the effect of the prejudice in his behalf which has just been mentioned, to be satisfied of his ability to carry with him in support of a right measure, not all his political supporters, but a sufficient number of them to leave his party still in the ascendency, and to leave them also still willing to continue him in power. On the principles already maintained, even this ought not decide him to put the measure into execution, independently of every other consideration. Other measures, in dispute between his own and the opposite party, might, very properly, be regarded by him as of *so much more* importance, that the point to be carried in relation to them should not be endangered by any step which is calculated to reduce the numbers of his political adherents, or to affect himself disadvantageously.

Again, the statesman should provide as much as possible against the reactions, not unlikely to occur occasionally in the public mind, concerning public measures. To do this, it is right for him to realize in their full strength, the doctrines of the philosopher in relation to the evils of change. If any important political measure be adopted with only a bare majority of the people in its favor, in a country like our own, where public opinion can so speedily act on the legislative body, by means of frequent elections, there will be no little hazard of a return to the former system of policy. Its adoption will, most probably, have been the result of a contest, of a less or more exciting character, between two opposite parties. The greater portion of the men composing these will have been persuaded, by hearing or reading the arguments in the newspapers on one side of the question only, that the consequences which are likely to ensue from it will be either in a very high degree beneficial, or almost ruinous to the community. Both parties will not fail to be disappointed. And were the measure merely nugatory in its immediate effects, the party in power might perhaps, for a short time, find that it was losing ground. But its leaders ought to be prepared for such an alteration as this in the public opinion to a still greater extent, when the temporary evils accompanying the introduction even of the most desirable changes begin to be experienced by certain individuals or classes of society; and console themselves that another and a greater reaction,—in the right direction too,—must, before long, almost infallibly ensue. Should right measures be prematurely adopted, it is scarcely necessary to say, that, in consequence of the multiplication of the number of the changes which will occur, in a given portion of the advance of society in the career of improvement, the price paid for this advance, in the amount of attendant evil, will be proportionably augmented; and that the progress of improvement, far from being accelerated, will be retarded by every unsuccessful attempt of the kind.

All this, I may add, is in entire accordance with the conduct which good sense, and a proper discretion, prescribe in some of the ordinary occupations of life. The only sure mode of effectually and harmoniously co-operating with other men, in the management of any common concern, is to endeavor to secure as near an approach to a unanimity of opinion as is possible, and not to press one's associates to an immediate decision, by a mere majority, in favor of a measure proposed to them; unless it be of paramount importance to the interests of the individuals for whom we act, or admit not, from its nature, of postponement.

Should it be said that the course of conduct, which has been suggested for the statesman to pursue, is precisely such as, in many instances, might, very possibly, arise from motives having little or no relation to the public welfare, and that the principles laid down might readily furnish a dishonest politician with pretences for covering his real designs, I can only observe that his case would not be a singular one. Virtue and vice are very often not to be distinguished from each other by outward appearances; and man is thus continually liable to be led into error respecting the character of his fellow-man. There is one mode, however, in which the statesman, actuated by a single desire for promoting the public good, and having his mind stored with the principles of political science, can prevent his being confounded with the mere pretenders to his character. This is that he should never oppose the adoption of a measure, which is right in itself, by arguments inconsistent with his own convictions of propriety, but, if the circumstances of society, or the state of public opinion, should be adverse to it, be prompt to mention such to be the reason of his opposition; at the same time committing himself distinctly in favor of the measure, as soon as it shall become practicable to carry it into execution with a due regard to all the public interests. By acting in this manner, he casts his own authority into the scale of truth, and does what in him lies to cause its speedy preponderance over the counteracting weights of ignorance or prejudice. His integrity of purpose cannot fail to be highly appreciated. This, too, will be more than a set-off for any possible disadvantage which may ensue to him from his open avowal of opinions, not in unison with those of many of his fellow-citizens; and no position can be conceived more favorable than his will be to lead them to consider attentively the subjects on which they differ from him, and to induce them eventually to co-operate with him in his efforts to benefit their common country. Here it may not be amiss to state that the measures which are seriously proposed for adoption in any legislative assembly, having been necessarily, in a greater or less degree, discussed in the public prints, will seldom imply, in the opinions of those who either support or oppose them, such a deviation from the ordinary modes of thinking, as to cause the general intelligence and judgment of either of these parties to be called in question by any considerable number of persons. It is to opinions still more remote from those which prevail around us that the noted maxim of Fontenelle is applicable,—"that a wise man, even when his hand was full of truths, would often content himself with opening his little finger."

An outline has been attempted of the functions which the statesman is required, by science and enlightened patriotism, to perform. But very often indeed is it that he comes far short of the standard thus exhibited, and that he forcibly reminds one of the saying of the celebrated chancellor of Sweden, when sending his son to a congress of ambassadors,—"go and see with what little wisdom the affairs of the world are managed." How many public men do we not find who have no political principles to guide them in their course, and who may be truly said to have no opinions at all, excepting that a measure is expedient or inexpedient, exactly in proportion as it is fitted to promote or defeat their own interests, or at most the immediate interests of their party; those of their country and of mankind, in their estimation, being accounted for nothing! It is, moreover, lamentable to think that men of this description do not always constitute the worst or most dangerous class of politicians. Disposed as they are to acquiesce in the prevailing opinions of their day, concerning measures not strictly of a party character, they are perhaps as likely to promote as to retard the march of improvement. Very different from this is the case of your rigid or extreme conservative, who sets himself pertinaciously to resist any alteration whatever in the existing condition of things; not merely on account of the temporary evils which may accompany its introduction, but because he looks upon all political change as synonymous with the infliction of a positive mischief or disaster on society. I have said an *extreme or rigid conservative;* but I was wrong in saying so. The individual described deserves not this name. He is not a conservative, but a revolutionist and a disorganizer. By refusing to accommodate the government and legislation of his country to the advancing opinions of the mass of the people, the amount of political change which is at length called for by them becomes so great, and their feelings become so greatly excited against those whom they detest as withholding from them their rights, that they are occasionally tempted to lay violent hands, not on their rulers only, but on the whole frame of society itself; and, by annihilating in this manner that respect for authority, without which no government can be stable, they prepare the way for a long series of disastrous actions and reactions in the political system,—requiring, perhaps, all the ability and energy of a Napoleon or a Louis Philippe to bring them to a close. However patriotic or benevolent may be the intentions of the extreme conservative, or whatever may be his moral elevation, he must be ranked in the self-same category, in so far as the effects which his conduct is calculated to produce is concerned, with the most unscrupulous and atrocious conspirators against all regular government and law. Between the two very different modes of action adopted by these hostile parties, lies that which has been pointed out by the political philosopher, and which constitutes the *juste milieu*, or golden mean, in politics,—a mode of action pre-eminently adapted at once to insure the tranquillity of a people, and to improve their condition. The political philosopher therefore, together with those who act on his principles, are the only true conservatives of order, and of all else that is in reality worthy of conservation.

So much of the time of my hearers has been already occupied in treating of the proper subject of my lecture, to wit, "the distinctive provinces of the political philosopher and the statesman," that I shall say a very few words only concerning those auxiliaries, not yet mentioned, on which the former relies for facilitating the practical application of his principles. Among them education holds a high rank, and indeed, in its most comprehensive sense, includes them all. According as it is diffused among the people at large, will their character be elevated intellectually and morally, and, as the political economist has conclusively shown, will they possess a larger command over the necessaries and luxuries of life. Such a people, whatever land they may inhabit, cannot be content with the limited range of observation and reflection presented to them by the monotonous and petty events of their every day life and vicinity. Their minds will be expanded to the consideration of public affairs, and they will become critics of the conduct of their rulers. A public opinion will thus be formed, which cannot fail to make its influence felt, — with an effect, too, to accelerate the progress of improvement, just in proportion as the education generally diffused is of a less or more advanced description.

So important, in my view, are the consequences, politically as well as morally considered, of the universal diffusion of the benefits of even the elementary education which is communicated in the humblest of our common schools, that I cannot help looking upon the instructors in them as really occupying, in despite of the vulgar prejudices by which they are too often degraded in the public and their own estimation, an exalted position among those whose ultimate aim, in their vocation in life, is the happiness or welfare of their fellow-men. Methinks I now see before me the well known form of one who, possessing genius, acquirements, and aspirations of no mean order, pursued the study of one of the learned professions, until he discovered that he possessed also peculiarities of character and manner, of a nature to neutralize the advantages which have been enumerated, and to render hopeless all prospect of his professional success. Enfeebled in health, and pressed by the hand of poverty, he has, for many years, been engaged, as his only resource, in teaching a common school in a remote and sequestered part of the country, with less often than a day-laborer's wages for a reward. To him, as well as to others of our instructors of youth, whose history, if traced, would bear some analogy to his own, when harassed by the numerous difficulties which they must necessarily encounter from their pupils, from parents, or from a population around them, little enlightened on the subject of education, yet ever ready to decide authoritatively and severely on their conduct, as well in their private hours as in the performance of their appointed duties, — and when cast down in spirit with the consciousness of their humble and scarcely improveable condition in society, — I would say, be not discouraged, ye children of misfortune, but take consolation to yourselves that while faithfully performing the part which has been assigned you in the order of Providence, you are contributing in a greater degree to the advancement of mankind, in the path of moral and political improvement, than many an individual, on whom admiring crowds have gazed and lavished their plaudits as they passed, but whose civil or military exploits posterity will contemplate, in the records of history, as having constituted so many obstacles to that improvement, over which other and more powerful causes of action have triumphed.

Of the effects of instruction in our seminaries of a higher order I shall here say nothing in particular, except to express a regret that so little provision has been made, in most of them, for the *political education* of their pupils, who, in so many instances, are destined to become the future statesmen of the country,—and to suggest a mode of supplying this deficiency, at least in our universities and colleges, without doing violence to the prejudices to which it may be attributed. While in some of these institutions, the study of political science is utterly neglected, in others, it is true, the principles of constitutional law and of the law of nations are taught and commented upon, and in others, again, courses of political economy are delivered. But even when these subjects have been introduced, it has been, in a few praiseworthy instances excepted, with a timidity in the discussion of disputed points, lest offence should be given to any considerable portion of the public, rendering the instruction, which is attempted to be communicated, uninteresting as well as almost futile in its results. The remedy I would suggest for this unsatisfactory state of things is, wherever practicable, to provide for the contemporaneous delivery of two courses of lectures on the branches of political science in which adverse opinions are to be conciliated. What, for example, can with propriety be objected, unless it be the expense of such an arrangement, to the appointment in our several colleges of two lecturers on *political economy*, one of them maintaining and defending the received doctrines of this science, and the other impugning them ? And if the latter should happen to be so hostile to those doctrines as to object to be styled a political economist, this will be a matter of little consequence ; since nothing will be easier than for him to assume the title of lecturer on statistics, or any other title he might prefer. It should be at the option of the student or his parent which of these courses of instruction he will attend. In many instances, it is to be hoped that he would desire to attend both. The consequence of his so doing cannot but be favorable to the cause of truth and the best interests of society, and promote in a high degree that exercise of the intellectual faculties of youth, which is to them a far more valuable education than to have been the passive recipients of the contents of whole libraries, filled with the records of other men's thoughts.

And here I may be permitted to express an opinion, that, besides a systematic course or courses of instruction in the various branches of political philosophy, provisions should be made in our higher seminaries to supply, what, if I am not misinformed, is still a universal deficiency in the United States;—I mean an elaborate course of instruction in history, or rather in the philosophy of history, or more than one such course, of the kind which has given origin to some of the best histories in the German language, and to which, in France, we owe the celebrated work of the eloquent and philosophic Guizot on the civilization of modern Europe.

Another source to which the political philosopher looks with confidence, for aid in his efforts to improve the condition of his fellow-men, is the more extensive diffusion of the blessings of christianity. On the principles he professes to have established, its ministers, even when most abstracted from worldly considerations, and devoted to the one object of preparing for death and immortality those to whom they address themselves, are also engaged, very efficiently too, in promoting the best interests of the latter in the present life. In proportion as they are successful in the exercise of their more appropriate functions, will they co-operate with all other teachers in the beneficent influence exerted by these on the public mind. In the next place, by contributing to the multiplication of the members of what my predecessor at this desk has happily denominated the great peace society of the world, that is the church of Christ, they will do much to diminish the number and magnitude of those disputes and collisions between individuals and nations, the frequent occurrence of which constitutes the greatest difficulty which the spirit of political improvement has to contend with. And this is not all. "To the *poor* the Gospel is preached." Christianity is, then, emphatically the religion of the poor; without however being, on this account, the less adapted to the circumstances of the rich. It has a characteristic tendency, beyond all other causes, to raise up the former, by a peaceful and almost imperceptible process, from the condition to which they have been degraded in most of the nations of the earth, to as near an approach to the condition of the latter as is consistent with the nature of things; at the same time maintaining inviolably all the rights of property, and taking naught from any one excepting such privileges as do not rightfully belong to him. In other words, Christianity tends, perhaps as much as all other causes united, to bestow upon mankind the gifts of a regulated freedom and of republican government, and to do this, it may be, quite as fast as men in general are fitted to receive and to preserve them.

I may add that there is another peace society, auxiliary to the great society already mentioned, and on which the political philosopher has no little reliance for co-operation in putting some of the most important measures, flowing from his principles, into execution. The society to which I allude is no other than the mercantile community, not of this country only, but also of every other. Commerce has, at the present day more than ever, attached the nations of the earth to each other by the bonds of a mutual dependence, the true *independence* of civilized man. Hence it has already become a difficult matter for the more commercial among the nations to engage in war. To illustrate this, the fact may here be stated that the manufacturers of silks at Lyons, for the American market, were more instrumental, a few years ago, in maintaining the pacific relations existing between this country and France, than all other causes combined. And likewise, have we not, in the United States, begun, for commercial reasons, to regard a war with Great Britain as almost an absurdity, to be dismissed at once from our thoughts? Every extension, too, of commerce, becomes a new pledge, given by the parties concerned, for maintaining the peace of the world. Respecting the other modes, for other modes there are, in which the political influence of commerce is of the most salutary character, the exhaustion of the time allotted to my lecture will not permit me to say any thing.

In conclusion, it may now be asked, whether it is at all surprising, when he contemplates the effects naturally to result from the gradual extension of religion, of education, and of commerce, putting out of view all other considerations, that the political philosopher should never despair, even in apparently the most untoward circumstances, of the fortunes of the human race. Though one statesman should disappoint his expectations, by giving up to party what was meant for mankind, and another do every thing in his power to resist, instead of promoting it, he nevertheless sees improvement surely, if at times, indeed, only slowly advancing on the car of time; and all he himself hopes to be able to accomplish, by his utmost efforts, is, *in some degree*, to accelerate its inevitable progress.

Nor is it at all surprising that, with views and expectations like these, he should be so indisposed as he actually is to any *violent* changes in the constitution or laws of his country, however beneficial those changes promise ultimately to be; even were a sufficient reason not to be found, for such indisposition on his part, in the risk, as has already been stated, of injury, from the reactions not unlikely to ensue, to the cause of improvement itself.

Admitting the *right* of revolution only in such extreme cases as our own most glorious of all revolutions, he addresses himself to the two great parties, who now stand in presence of each other in more than one European country, threatening to come into hostile collision,—saying to the one, bear long with the evils of your present condition, and do not prematurely attempt to anticipate the course of events, by the exercise of physical force, lest you injure, instead of benefiting yourselves,—and to the other, yield now voluntarily, to the just demands of the great body of the people and the spirit of the age, what you will be compelled to yield up sooner or later;—if you hesitate too long, revolution and all its attendant evils cannot fail to result.

To the people of our own country, marching, as they in many respects do, in the van of civilization and improvement, he speaks in a very different manner. He congratulates them that the revolution of '76, together with the subsequent adoption of the federal constitution, have rendered farther revolutions, or violent political changes, wholly unnecessary, and in the highest degree to be deprecated; at the same time urging them forward to the farther improvement of their institutions and systems of legislation by the force of an enlightened public opinion, exerted through its legitimate channels.

ART. III.—THE PROTECTIVE SYSTEM.*

It is certain, that for a few years past, great embarrassments have been experienced in our monetary concerns, and as certain that causes must have produced them. Many have assigned causes without attempting to show how they could operate to produce the result, while a few practical reasoners exist, who had, in advance of them, predicted all our troubles, and shown by tracing the operation of cause to effect, that under existing circumstances, such embarrassments must inevitably come upon us. Among these causes is one which has operated severely for a few months past, namely, the reduction of duties on imports. This system has caused such an influx of foreign productions as to absorb all our exports and loans, and yet leave us indebted to such an extent as to jeopardize the specie on which our circulating medium is founded. All this might have been avoided by increasing instead of reducing the rate of duties, and abolishing the credits thereon in all cases.

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* This article is from the pen of an eminent Boston merchant, well known for his views on political economy. We have no doubt that he will be ready to meet any combatant on the ground he so concisely occupies. It may be well to state, that the writer predicted the present difficulties which now afflict the country, from the premises herein laid down.

While our labor and productions are rewarded as of late years, there is placed in the hands of the people an amount of money which enables them to purchase an amount of foreign merchandise far exceeding the amount of our exports; hence the necessity of high cash duties, not only on manufactures coming directly in contact with ours, but on all manufactures, as the proceeds of our exports are nearly, or all, required to pay for foreign productions other than manufactures. If our present system continue, the consequences must be disastrous to every portion of our country—the reward of labor must be so reduced that the people cannot consume freely foreign productions, and of course, the same economy must be observed as regards home productions. Thus, the north and east must take less from the south and west, and *vice versa*. Under a continuance of our present system, for a series of years, there is no good reason to doubt that the consumption of cotton in this country will be 30 to 40 per cent. less than under a high protective system. This must add to our export of the article; and, although a small per centage on the whole crop, must probably reduce the price of the whole 20 to 30 per cent. Every other production of our country will, probably, share the same fate.

Opponents of the protective system, argue that we should buy where we can buy cheapest, and herein they argue correctly; but they err in taking money as the standard of cost, labor being the only correct standard. Suppose a man's wages to be $300 per annum:

He owes a debt of, and can pay it, - - - - -	$100 00
He can purchase American productions at prices corresponding with his wages, - - - - -	100 00
And can purchase of foreign productions, prices of which our legislation cannot materially affect,	100 00
	$300 00

Reduce his wages to $150, and the productions of the country in proportion, and it will be seen that home productions at high prices are cheap, but at low prices, are dear.

He pays the debt, - - - - - - - - -	$100 00
He purchases home productions for half the former price, - - - - - - - - - -	50 00
And has left for foreign comforts, - - - - -	00 00
	$150 00

This simple illustration accords with the experience of every age and nation, for wherever productions have been abundant and prices good, there has been comparatively no suffering; but, whenever they have been abundant and prices unusually low, there has always been seen much poverty and distress, so that we may arrive at correct conclusions, without severely taxing our reasoning powers. If any thing more be wanting to substantiate the utility of protective duties, let us for a moment look at England. She has, for ages, protected her productions by prohibiting duties, and taxed nearly every article of import enormously, except raw material, and bread stuffs, in certain cases; and yet, she is thrown into a state of great embarrassment by importing a partial supply of bread stuffs for a single season. Again, it would seem as if what has been said and written by opponents of protective duties, ought to satisfy any one that no reasonable objection can be made to such duties, for, though long and loud have been their complaints against the system, not a single instance can be produced where any one has shown a particle of ground for such complaints. If reasons could have been given, doubtless the highly talented Mr. McDuffie would have found them, but he tried in vain. On one occasion, he asserted, that as duties averaged forty per cent., and imports paid for by the south, planters must lose forty bales of each hundred bales of cotton sold. But on trying the question by the rule of three, we find the fallacy of his opinion; for, duties might be two hundred per cent., and then, by the same rule, on selling one hundred bales, the loss would be two hundred bales. On another occasion, he dwelt much on the hardship of the high rate of duties on coarse plains, an article particularly needed at the south, and to prove how great the hardship, introduced the importation and sale of two bales of the article, on which there was a very great loss, so great as to show clearly, that in consequence of the presence of some American substitutes, the plains could not be imported to advantage, even if duty free; thus proving the reverse of what he intended—proving that the south is benefited by protective duties, even though they allow nothing for increase in price of their staples, which increase alone, under a system of proper protection, would, probably, pay for all the manufactures they require many times over.

Art. IV.—THE MERCHANT SERVICE.

Having, in a former article, briefly noticed the evils to which sailors are exposed, when passing the short intervals of their unprofitable lives in the great commercial cities to which their peculiar vocation directs them, I shall endeavor to point out such remedies as may remove, or at least lessen, such abuses.

In the first place then, I would propose the formation, in New York, and every large seaport, of an association of ship-owners and masters, whose object should be to watch over the welfare of the seafaring class. Its members should contribute but a small annual fee, as the expenses of the institution should be chiefly derived from the voluntary contributions of the merchants. To an executive committee might be confided the whole business of the society, aided by two agents appointed by the committee, in conjunction with the Board of Commerce, the interests of which association would be essentially subserved by such co-operation.

All applicants for appointments as masters, or mates, might address themselves to this committee for examination, as to their qualifications, and for aid in obtaining suitable employment. The committee might serve also as a board of arbitrators, in cases not absolutely requiring judicial interference. To give character and pecuniary ability to the proposed corporation, the association should be permanently invested with corporate powers. All the merchants should enrol themselves as members; by thus concentrating the influence which their immense wealth and patronage would give them, they might effect any object, having for its end the moral and religious improvement of seamen, or the general advancement of the civil marine.

Connected with this association, and subject to its special direction and supervision, there should be established a school, devoted to the instruction of young seamen, and the children of seafaring men. The cost of founding an institution of this character would be as nothing, in comparison with the benefits that would result from it. It would, at once, relieve our large cities of thousands of vicious and vagrant boys, and convert them, in process of time, into useful citizens.

If ship-owners and masters were required, by law, to rear up to the sea a prescribed number of lads, a school and boarding establishment for their instruction and accommodation, when in port, would be highly desirable. An institution, restricted merely to the instruction of youths of this class, might be located in the city as most convenient; but, if in addition to the school, it should be determined to provide accommodation for boarding and lodging the pupils, some pleasant spot, on the south side of Staten Island, or upon the borders of Prince's Bay, near the Highlands, might be selected. From such delightful positions, the boys would enjoy an uninterrupted view of the ocean, with the fleets of sea-going vessels, steamers, and coasting craft, passing in panorama before them: scenes alike calculated to instruct, and to keep alive their fondness for a profession, which, though claiming its inseparable toils and dangers, is not wholly devoid of attractions.

But, whatever location might be selected for the school, the expense of its management would be much the same, as masters would, of course, defray the charge of boarding their apprentices. The annual cost of supporting a school of sufficient magnitude would not much exceed the following estimate:

Salary of Principal Instructor - - - - - -	$1,200
First Assistant - - - - - - -	700
Second - - - - - - - - -	600
Rent, Fuel, Books, Stationery, and contingent expenses	1,600
	$4,100

It is hardly necessary to enter, here, into a formal argument of the advantages of such an institution; they must be obvious to every one who has thought on the subject. It may be said, that the free schools of this city offer all the requisite facilities for the instruction of young sailors. This opinion can only be entertained by those unacquainted with the character and habits of seamen, and with the kind of instruction they need. Men who are to follow the sea should be educated exclusively for the profession; and in truth, we can see no reason why an institution, established upon this plan, should not be entitled, under a just construction of the revised statutes of the state of New York, to a fair proportion of the school fund.

In the preceding number on this subject, we have attempted to show, that there is no class of men whose mental and physical necessities have been so little regarded, as those of the seamen of this country. Philanthropists of the present day, appear to evince less interest in the religious instruction and common comforts of the sailor, than of any other people, whether black, white, or red, on the face of the earth. Their sympathies and benefactions are too often sent abroad; and appear to be graduated in precise proportion to the distance to which their influence is meant to extend. They seem to have forgotten the old adage, that "charity begins at home," and that it has always been accounted a wise thing to set one's own house in order, before interfering with the concerns of others.

In making these remarks, we cheerfully except from the charge of indifference to the wants of sailors, the directors and patrons of the Seamen's Friend and Bethel Societies, and the dispensers of the magnificent and well applied bequest of the ever to be honored Randall; nor should we fail to mention the Sailors' Retreat, an establishment for the accommodation of sick and disabled seamen, founded and supported by the avails of a tax, enforced by the state, upon all seamen arriving at the port of New York, and entirely distinct from the contribution of twenty cents per month, exacted by a law of Congress.

This is an excellent institution, and conducted, as it is, in the most systematic manner by its active and intelligent superintendent, is daily increasing in extent and usefulness. Here the sick or worn-out sailor may find a comfortable asylum, and receive from the officers of the establishment every kindness and attention.

On some other occasion, we may allude more particularly to this and the other institutions for seamen, located on Staten Island: the Sailors' Snug Harbor, the United States' Marine Hospital, as also the Naval Hospital at Brooklyn; and we are confident in being able to prove the deep injustice that has been done to seamen, in compelling them by law, not only to provide themselves quarters and medical attendance, when overtaken by poverty and sickness, but to furnish money to be expended for other purposes, and, at the same time, requiring them to contribute, like others, to the general revenue of the country.

But the benefits derived from the sources already mentioned, are very limited in their extent, and scarcely reach the young and thoughtless, who actually run riot in the lowest scenes of dissipation, until disease and decrepitude come upon them, ere they have passed two thirds of the period allotted to man's natural life. It has always been a matter of speculation, what becomes of sailors after they have reached the age of fifty. Up to this time of life they seem hale and hearty, but in a little while, they disappear as swallows in the autumn, no one knows whither. Some support themselves, for a time, in working at rigging, in making mats, straw hats, and other trifles. Many find their way into the alms houses and hospitals; others are scattered throughout the country seeking employment wherever they can find it; but, much the greater number lounge about their old haunts, near the wharves and shipping, until, borne down by drunkenness and want, they sink into a pauper's grave.

I remember to have seen, some years ago, at one of the Shaker establishments, a couple of old man-of-war's-men, who had shown more foresight than is generally exercised by men of their cloth, by securing for themselves snug moorings, in so comfortable a port. One of them, quite an old man, had served through the Tripolitan war, under Preble, and was familiar with the names of Decatur, Somers, Wadsworth, and Trippe; the other was of more recent date. The elder being too infirm, did not join in the religious dance of this extraordinary sect, but the younger was conspicuous for his active zeal, and figured away most vigorously, yet he could not entirely divest himself of the step and manner of the forecastle. Whether the writer's presence at the ceremony, for we had previously recognised each other, called up old associations, we cannot say; but he probably gave, on this occasion, more than his usual sailor character to the dance, and when the chanting of the singers became more quick and inspiring in its measure, he would throw new spirit into his movements, and perform that peculiar hitch-up step, called by sailors the double shuffle. Doubtless, the starched brothers and sisters of the order were sadly scandalized by this seeming irreverence, but the old tar was excusable; he had forgotten, for a moment, the luxurious fare and undisturbed nights enjoyed as a member of the fraternity, and permitted his thoughts to wander back to forecastle scenes, in which, amid his joyous shipmates, he was wont to be foremost in the song and dance.

Now and then, we see a few gray-headed old fellows in our ships of war and navy yards, retained by the sympathy and kindness of the officers; but their limbs have become stiffened; they can no longer move aloft, or work the guns, as once they could; after a short interval, even these are thrust aside to make room for more youthful substitutes; and poor Jack, like an old and useless horse, is turned upon the world to starve, or gain, as well as he can, a precarious living for the remaining period of his wretched existence.

Such is the character of our legislation, that no provision is made for them. The country to whose prosperity they have contributed so largely, cannot afford to support them, when they are no longer able to add to its revenue. The public charities are all absorbed, in providing for the wants and comforts of foreign paupers, fresh from the parish or prison-houses of their native districts; these sovereign voters of our blessed land, who, when once landed on our shores, and before they have cast off the prison or workhouse garb, with which they are furnished when sent abroad in search of food and raiment, and new scenes wherein to exercise their vagabondism, are, by dishonest connivance, admitted surreptitiously to the right of voting, to gain some paltry advantage either for one party or the other.

How different is the conduct of England to her disabled seamen; she has her glorious Greenwich Hospital as a sure retreat for those helpless men; and every sailor or soldier who has served, faithfully, a certain number of years, is sustained and cherished for the remainder of his life. Even Russia, France, Holland, Denmark, and Sweden, deem it a sacred obligation to provide for those who have devoted the best of their lives to the service of the state; their children also are educated at the public expense, and reared up to the profession of their fathers. In Russia, public schools for this purpose, under the most admirable organization, are scattered throughout the empire.

In remarking upon the discipline and treatment of seamen afloat in merchant ships, and their provisions and clothing, we will endeavor to show that the interest and convenience of the owners, not less than the comfort of those in their employ, would be effectually benefited by the adoption of established regulations for the government of the officers and men; but in carrying into execution a plan of the kind, and in perfecting all the necessary detail, the assent and co-operation of the merchants generally would be indispensable. Hence another argument in favor of an association such as we have ventured to recommend.

For want of such uniform rules, sailors are now subject to the caprice of whomsoever they may chance to sail with; in one ship they enjoy the advantages of a just and lenient discipline, with abundant and wholesome food; in another, ill-treated, over-worked, and half starved, they become soured and disheartened, and rife for the commission of any crime. The laws and usages for the government of seamen in the merchant service are amply sufficient to enforce the necessary order and discipline, if judiciously administered. In most cases where sailors have mutinied against the authority of their officers, the causes which have induced them to act may almost invariably be traced back to the improper conduct of those very officers, either in the exercise of vexatious and unwarranted severity, or by relaxing the reins of discipline, so as to lose all control over the reckless spirits placed under their command.

It is true that American merchant ships are infinitely better commanded than those of any other nation; but it is equally undeniable, that in many of them, sailors suffer every hardship and privation, imputable, not so much to the intentional neglect and severity of the masters, as to want of judgment and system in the exercise of the authority vested in them.

The plan which we would propose for rendering a ship's company more contented and comfortable, is a very simple one. It is, to enforce in each ship a well-defined code of regulations for the government of the whole crew. To establish a uniform ration of provisions; and to furnish to each master a small supply of sea-clothing, to be issued by him at a fixed profit, to those of the crew that may need it. With regard to the provisioning of ships, there can be little doubt that owners would soon discover the advantage and economy of furnishing, to those sailing in their employ, a fixed and uniform ration. The arrangement would prevent the improvidence and waste so common in merchant ships, as also that fruitful cause of discontent among seamen, the alleged scantiness and bad quality of their provisions. It is but right that seamen should have secured to them a sufficient ration of good and wholesome food, and be exempt by law from a dependence on the caprice or cupidity of the master or owners. It is not intended to charge either with illiberality or unkindness to those serving under them, but it is well-known that seamen too frequently suffer on their voyages for want of provisions and water, a deficiency caused as often by their own careless waste, as the neglect of the master in providing an ample store, and fixing a regular allowance. These inconveniences, which sometimes become very serious, may be avoided by having it arranged that each officer and man shall receive of the ship's stores one ration and no more.

The additional supply of cabin stores must, of course, vary according to the bargain of the owners and masters; but whatever arrangement may be made on this score, the established ration should remain the same, as an ultimate resort in case of need; hence the propriety of providing for each individual at the commencement of a voyage, whether officer, passenger, or common hand, a daily ration calculated to last double the duration of the passage. In the adoption of this system, seamen would be gratified by the grant of certain rights, by possessing which they could have no further cause of dissatisfaction in regard to provisions; and ship owners would be relieved from all future care and responsibility on the subject.

The following is recommended as a just and suitable ration for men engaged in merchant ships; it is somewhat more liberal than that allowed in the navy, but in this service men require less food, as they perform less labor, and are made in every way more comfortable; indeed they scarcely ever consume their entire ration. On the Mediterranean and West India stations, a mess of ten seamen usually stop two rations, and at the end of each month draw the amount either in kind or in money, which they barter for fruit and vegetables.

PROPOSED DAILY RATION.

	Pounds.				Ounces.				Gills.				Gills.				Ounces.				
	Beef.		Pork.		Bread.		Flour		Peas or Beans		Rice.		Molasses.		Vinegar.		Tea.		Sugar		
Days.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Quantity.	Cost—Cts.	Daily cost. Cents.
Sunday.	1½	9			16	4½	8	2					1	2	1	1	½	2	3	2	22½
Monday.			1¼	10	16	4½			2	1½							½	2	3	2	20
Tuesday.	1½	9			16	4½					2	2½	1	2			½	2	3	2	22
Wednesday.			1¼	10	16	4½			2	1½							½	2	3	2	20
Thursday.	1½	9			16	4½	8	2					1	2	1	1	½	2	3	2	22½
Friday.			1¼	10	16	4½			2	1½	2	2½					½	2	3	2	22½
Saturday.	1½	9			16	4½							1	2			½	2	3	2	19½
Weekly cost.		36		30		31½		4		4½		5		8		2		14		14	$1 49

This makes the daily average cost for each man, about 21¼ cents. And we venture to say it will be found much less than the aggregate expense, in the present wasteful practice. In lieu of spirits, which are a part of the navy ration, we have substituted, at the same cost, tea and sugar; seamen in the naval service consume large quantities of tea, sugar, and tobacco, but as those articles are not components of the prescribed ration, they are required to pay for them out of their wages.

On the subject of clothing but little need be said; the propriety, indeed the necessity, of furnishing to each ship a supply of coarse slops for the convenience of the crew, must be evident to every one who has made a winter's passage at sea. The proverbial thoughtlessness of seamen, and the unforeseen disasters to which they are exposed, frequently place them in the most necessitous circumstances, and when thus thrown pennyless upon the world, their only resource is to find employment in the first sea-going ship. They embark perhaps at some port within the tropics, with a scanty stock of clothing, and are carried in the course of their voyage into a cold and stormy region, exposed to all the severity of the weather; their sufferings become insupportable; the safety of the ship cannot be neglected, and the poor fellows are often detained aloft for hours, amid the violence of the elements, half-naked, and nearly dead with cold.

This is not a singular nor exaggerated picture; in every ship that approaches our coast from the south, in winter, the same exposures are encountered by some portion of their crews, who, less provident than others of their shipmates, have worn out or lost their woollen clothing. In truth the toils and sufferings of sailors on our coast in the inclement season, are inconceivable to those who, comfortably housed within their warm apartments, even there dread the storms that beat upon their windows, and think but little of the hapless sailor struggling, for days and nights, to guard their property from danger.

We insert a list of clothing, which may be considered a suitable supply for vessels, with the aggregate crews of twelve to eighteen hands. The quantities may be increased or diminished, in proportion to the number of the respective crews.

12	Coarse Woollen Round-about Jackets, each at	$4,50
8	" " Monkey Jackets	6,00
15 pairs	" Trowsers	3,50
25 "	Flannel Shirts	1,38
25 pairs	Flannel Drawers	1,00
25 pairs	Woollen Stockings	62
15 pairs	Shoes	1,00
15 "	Woollen Comforters for the neck	25
15 "	" Caps	50

The whole should be purchased by the owners, and charged to the account of the master, for whose responsibility he might receive, from the seamen, 25 per cent. profit on the cost. At the end of the voyage, an account of issues should be furnished to the owner, and the deficiencies replenished. The clothing should be tightly packed in linen covers with tobacco, and placed in a chest provided for the purpose. These details may, perhaps, seem trite to the casual reader; but to those who have witnessed the sufferings of sailors for want of comfortable clothing in bad weather, they will not appear wholly superfluous.

In conclusion, we have only to notice another and still more serious evil, which prevails almost universally in the merchant service—the omission of religious worship on the Sabbath. It has been often and truly said, that sailors are particularly susceptible of religious impressions, and fond of participating in those solemn ceremonies. In none but the larger of our national ships, are chaplains allowed; but this does not often prevent the observance of religious worship; there are always officers willingly disposed to read to the assembled crew an appropriate chapter, and a few prayers selected from the book of common prayer. And why cannot the masters of merchant ships follow this worthy example? How glorious would it be, if our hundred thousand seamen, scattered, as they always are, over the whole surface of the globe, could be assembled on each Sabbath day, in whatever clime they may chance to be, and under the shadow of their own spotless flag, offer to Almighty God the homage of their adoration and praise! Y.

ART. V.—MERCANTILE LIBRARY ASSOCIATION LECTURES.

PROFESSOR OLMSTED'S LECTURES ON METEOROLOGY, AT CLINTON HALL.

WE continue our sketches of Professor Olmsted's Lectures on Meteorology. In the December number of the Merchants' Magazine, we gave a full and accurate synopsis of the Introductory Lecture, on "*the Connexion of Science and the Arts,*" and the three first of the course, namely, 1. *Of the Atmosphere in General*—2. *Dew, Fog, and Clouds*—3. *Of Rain;* and now commence with

LECTURE IV.

Of Meteorological Observations, and of Winds.

THE lecturer remarked, that meteorology is pre-eminently a science founded on observation, and no reliance is to be placed on any theory in this science which is not derived from an extensive induction of facts. We require, moreover, that facts shall be observed and reported with the greatest possible degree of accuracy. Voluminous records of meteorological observations, kept for many years, are often found to be wholly useless, because their correctness cannot be depended on. Measures have recently been taken to procure a far greater degree of precision and uniformity. Whenever great accuracy has been employed in taking meteorological observations, it has been rewarded by the discovery of unexpected regularity in this department of nature. If, for example, we should take hourly observations on the thermometer for every day of the year, for several successive years, we should find the average temperature of each year differ scarcely at all from that of the others.

Within a few years a plan, originally proposed by Sir John Herschel, has been carried out in various countries, of taking simultaneous observations four times a year, namely, at the equinoxes and at the solstices. The observations with the various meteorological instruments, are made every hour for the whole twenty-four. This furnishes the means of comparing the condition of the atmosphere, as they exist at the same moment, in various parts of the globe, and promises to lead to curious and interesting results.

The principal instruments in use, are, the thermometer, for estimating the temperature of the air; the barometer, for ascertaining its weight and pressure; the hygrometer, for finding the amount and condition of the watery vapor contained in the atmosphere; and the rain gauge, for learning the amount of water precipitated from the atmosphere in the different forms of rain, snow, and hail. Our time will only permit us to point out the use of the two most important, namely, the thermometer and barometer. The thermometer being designed to measure the temperature of the air, it should be exposed where it is free from all accidental sources of heat, whether conducted or reflected from neighboring objects. If we make observations with the thermometer every hour for the whole twenty-four, and divide the sum of all the observations by their number, it will give us the average, or mean temperature, for that day. As this, however, would be a tedious process, and as it is found that if we add the highest and lowest observations, and divide their sum by two, it gives very nearly the same mean, this method of obtaining the mean is generally adopted. The highest, or maximum temperature, is from two to three o'clock, P. M.; the minimum, at sun rise. Of all single observations, that at sunset comes nearest the mean.

The barometer gives us much useful information respecting the changes of the atmosphere, since it indicates, by the rise and fall of a column of mercury, every change in the atmospheric equilibrium; and such changes, when greater than ordinary, are connected with the phenomena of storms. The barometer fluctuates but little during the year in the torrid zone, the mercury never being far from thirty inches. In our own latitude, the fluctuations are much greater, rising, some times, as high as thirty-one inches, and sometimes falling below twenty-nine. An extraordinary rise of the barometer, (say to nearly thirty-one inches,) indicates that a storm is raging at some distant place; and when a rapid fall succeeds, we may infer that the storm is approaching. An extraordinary depression of the barometer attends the most violent tornadoes. Col. Reid, in his work on the "Law of Storms," mentions an instance that occurred in the West Indies, when the barometer, during a violent hurricane, fell to 26 50 inches. In general, a gradual rise of the barometer indicates fair weather, and a gradual fall, approaching foul weather. Since the barometer frequently gives notice of an approaching gale, and indicates the state and prospects of a storm while actually raging, it becomes a very valuable instrument to the mariner. No ship should ever sail without one.

Winds.—The lecturer observed, that the inconstancy of the wind is proverbial, and we should little expect to find that the winds are bound by fixed laws. It is characteristic of nature, however, that she is irregular in the small, but regular in the great. Amid ceaseless changes, uniform results are produced; and perfect symmetry in the midst of the most careless irregularity. Thus, while not a single branch of a tree seems to have the least relation to any other, the whole together make up the regular forms exhibited in the majestic elm or oak. The same is the case with the winds. The more we study their phenomena, the more we find that they are governed by fixed laws, even in their wildest moods.

The three most general laws respecting the winds of the globe, are the following:—1. That between the latitudes of thirty degrees on each side of the equator, the general tendency of the wind is westward. 2. That between the latitudes of thirty and sixty degrees, the general tendency is eastward. Beyond these latitudes, the winds are more irregular. 3. That those winds which blow towards the equator in both hemispheres, predominate over those which blow from the equator. Thus, in our latitude, northerly prevail over southerly winds.

Land and sea breezes, trade winds, and monsoons of the Indian Ocean, were particularly described and accounted for.

LECTURE V.

Of Tornadoes, Atlantic Gales, and the Law of Storms.

Tornadoes are characterized by marks of the greatest violence: houses are unroofed or torn in fragments, the largest trees are prostrated, and a well-defined path is sometimes made through the heaviest forest, masses of timber are carried to a distance, and lighter substances even many miles. Most of the land tornadoes are of short duration. One that occurred in New Haven last summer, formed in a meadow, rushed over a plain in a path about sixty rods wide, bounded over a mountain nearly four hundred feet high, and lost itself in an extensive marsh on the other side of the mountain. All this was done in six minutes, and extended from west to east through about four miles, destroying every thing in its way. Similar tornadoes have occurred in various parts of our country, of which interesting accounts may be found in Silliman's Journal of Science. These tornadoes have a powerful upward motion. Sticks of timber and other heavy bodies are often lifted to a great height; and in a storm that occurred at Stowe, in Ohio, a few years since, a loaded cart was carried quite over a barn. Men have not unfrequently been raised to a considerable height by these tornadoes.

The trees and other bodies prostrated by these storms, fall inwards on the margin of the storm, towards the central track of the storm, while those trees which stood near the centre of the track, lie in the general course of the storm. Subordinate curves are formed, indicating a whirlwind action; but the marks of a general rotation are not as distinctly traced in these small tornadoes, as in the large gales that occur at sea. The velocity of the wind, within the vortex, cannot be less than one hundred miles per hour, (and is sometimes, probably, much greater,) while the forward motion of the storm is not more than thirty or forty miles an hour. We are much in the dark, as to what, all of a sudden, forms these storms, and endues them with such surprising violence.

The Atlantic gales have within a few years been studied with great attention, and with very interesting results. A large part of what is known respecting them, is due to our fellow citizen, Mr. William C. Redfield. By examining the log-books of a great number of ships that have been caught in these gales, he has traced, with great success and ability, the laws by which they are governed. Mr. Redfield has established the following facts by a very extensive and satisfactory induction:—that these gales commonly take their rise in the equatorial regions, to the southeastward of the West India islands—that they take a northwesterly direction towards the American coast, till they reach the latitude of thirty degrees; they then bear towards the northeast, and traverse along the coast of North America, and finally waste themselves in the Northern Atlantic. Mr. Redfield has farther proved, by comparing the courses of the wind, as taken by ships situated in different parts of the same storm, that these gales are great whirlwinds, and that they rotate always in one and the same direction, namely, from right to left, or against the sun; their forward motion is often very slow, while their rotary or whirlwind motion is very swift.

The laws of these gales, as established by the ingenious and laborious researches of Mr. Redfield, have received much confirmation from others who have followed him in the same course of investigation, particularly from Colonel Reid, now governor of Bermuda, who has published a work on the "Law of Storms." By an extensive comparison of facts, similar to that made by Mr. Redfield, Colonel Reid has arrived at the same conclusions, and these have been still farther confirmed by the testimony of the most experienced navigators. The ultimate object to which these inquiries are directed is, to furnish to the mariner practical rules, by which he may be enabled so to manage his ship when overtaken by a gale, and so to steer his course, as to avoid the fury and danger of the storm. Several highly useful and practical rules of this kind, derived from the investigations of Mr. Redfield, are already established, and may be found in his published papers on this subject, and in Colonel Reid's work.

Although Professor Olmsted regards Mr. Redfield and Colonel Reid as having satisfactorily explained the laws which govern these great storms, yet he thinks we are here, as in the case of the smaller tornadoes which occur on land, very much in the dark with respect to the ultimate causes of these phenomena—the causes which first produce the whirlwind, and afterwards maintain its violence. Heat, more than any other known cause, disturbs the atmospheric equilibrium, and produces winds; but the lecturer regards all attempts hitherto made, to explain the manner in which heat acts to produce the peculiar effects exhibited in tornadoes and hurricanes, as unsuccessful.

LECTURE VI.

Of Thunder Storms.

To Dr. Franklin is universally conceded the honor of having first established the identity between electricity and lightning. This he did by actually drawing the lightning from the clouds by means of a kite, and proving that it possessed all the properties of the electric fluid, even to the charging of a jar.

This discovery led to very extravagant notions respecting the agency of electricity in the phenomena of nature. Not only thunder storms, but storms of every sort, and all other meteorological phenomena, as dew, fog, rain, hail, and luminous meteors, were at once ascribed to the same universal agent. Indeed, the arcana of nature were now held to be all unlocked, and to electricity were successively ascribed the tides, the motions of the heavenly bodies, and the functions of animal and vegetable life. This propensity to employ electricity as the agent by which to explain all mysterious things in nature, not otherwise accounted for, has infected natural philosophy even to our own times, and many now imagine they have sufficiently explained any unusual or wonderful occurrence in the natural world, by calling it "an electrical phenomena."

In thunder storms, we are presented with the following leading facts. It is found by experiments, (made by raising kites to the region of the clouds,) that all insulated clouds are highly charged with electricity—that the electricity of a cloud is sometimes positive, and sometimes negative—that even a fog is often highly electrified. Electricity is strongest when hot weather succeeds a series of rainy days, or when wet weather succeeds a series of dry and hot days. Thunder storms usually occur in the hottest seasons of the year, and after mid-day. They are more frequent and violent in hot than in cold countries, and are especially violent in volcanoes.

In our explanation of the foregoing facts, we must consider, that here are two different classes of phenomena to be accounted for: first,

ART. VI.—BANKS OF MASSACHUSETTS.

THE banks constitute a very important interest to the people of Massachusetts. There are about twenty thousand persons who are interested as stockholders, and there are several times as many others who are dependent upon these stockholders, and thus whose means of living are affected by the condition of these institutions. The whole mass of the people, in their capacity as bill-holders and in respect to their various employments, have an interest in the continuance and prudent management of the banks. In fact, it will be difficult to find an individual who is not directly nor indirectly interested in them. There is hardly any thing whose influence is so completely felt in all the ramified relations of society. We are scarcely aware of their importance till we experience a disturbance of the currency, of which they furnish by far the largest proportion. Every species of property depends for its value in some degree upon the banks. They in a great degree control the price of all kinds of property and of labor, regulate agriculture, trade, and manufactures, and, in a series of years, show their effects on the progress of civilization. The change which has taken place in the condition of the people of Massachusetts, in the last thirty or forty years, is plainly indicated by the bank issues, which have constituted the greater part of the circulating medium.

In the following article it is proposed to show the condition of the banks of Massachusetts for a series of years, in respect to the value of the stock as an investment; in respect to the amount of specie compared with the circulation, and with the sum of the circulation and deposits,—which is justly regarded as an important criterion of safety to the public; in respect to the increase of the capital stock; and in respect to the amount of the capital stock, and of the bills in circulation compared with the population,—the bills in circulation having served as an important part of the circulating medium in the operations of trade, and as important means of changing the condition of the community. In preparing the tables, use has been made of the bank returns as published by the secretary of state.

Table showing the Average of the last semi-annual dividends per cent. of the Banks of Massachusetts, for thirty-two years, from 1808 *to* 1839.

	In Boston	*Out of Boston.*	*In the State.*
In January, 1808............	About $3 75	About $3 81¼	$3 78⅛
June, 1809............	3 50	.. 3 62½	3 56¼
.. 1810............	.. 3 68¾	.. 3 87½	3 78⅛
.. 1811............	4 00	3 93¾	3 96⅞
.. 1812............	.. 3 62½	.. 3 43¾	3 53⅛
Aggregate for 5 years........	$18 56¼	$18 68¾	$18 62½
Aggregate average of the last semi-annual dividends for 5 years....................	$3 71¼	$3 73¾	$3 72½
Estimated average, *per annum*, for 5 years...........................			$7 45

Table of Dividends—Continued.

	In Boston.	*Out of Boston.*	*In the State.*
June, 1813......	$3 00	About $2 62½	$2 81¼
.. 1814......	About 2 75	3 18¾	2 96⅞
.. 1815......	.. 3 37½	.. 2 62½	3 00
.. 1816......	.. 2 81¼	.. 3 12½	2 96⅞
.. 1817......	3 03⅛	.. 2 87½	2 $95\frac{5}{16}$
.. 1818......	.. 3 37½	.. 3 25	3 31¼
.. 1819......	.. 3 28⅛	.. 3 25	3 $26\frac{9}{16}$
.. 1820......	.. 2 93¾	.. 3 12½	3 03⅛
.. 1821......	2 62½	2 87½	2 75
.. 1822......	.. 3 00	.. 2 93¾	2 96⅞
.. 1823......	.. 2 87½	3 18¾	3 03⅛
.. 1824......	.. 2 93¾	2 93¾	2 93¾
.. 1825......	.. 2 87½	3 00	2 93¾
May, 1826......	.. 2 81¼	3 25	3 03⅛
.. 1827......	.. 2 62½	3 00	2 81¼
.. 1828......	.. 2 75	3 00	2 87½
August, 1829......	.. 2 87½	.. 3 00	2 93¾
June, 1830......	.. 2 37½	.. 2 68¾	2 53⅛
October, 1831......	2 81¼	3 06¼	2 93¾
August, 1832......	2 93¾	3 18¾	3 06¼
October, 1833......	3 03⅛	3 18¾	3 $10\frac{15}{16}$
May, 1834......	3 00	2 93¾	2 96⅞
.. 1835......	3 00	2 93¾	2 96⅞
September, 1836......	3 25	3 00	3 12½
October, 1837......	2 87½	2 81¼	2 84⅜
.. 1838......	2 93	3 02	2 97½
November, 1839......	2 86	3 08	2 97
Aggregate for 27 years,	$79 00⅞	$81 16¾	$80 $08\frac{13}{16}$
Aggregate average for 27 years............	$2 $92\frac{135}{216}$	$3 $00\frac{67}{108}$	$2 $96\frac{269}{432}$
Estimated average, *per annum*, for 27 years...........................			$5 $93\frac{53}{216}$

	In Boston.	*Out of Boston.*	*In the State.*
Aggregate for 5 years..	$18 56¼	$18 68¾	$18 62½
Aggregate for 27 years,	79 00⅞	81 16¾	80 $08\frac{13}{16}$
Aggregate for 32 years,	$97 57⅛	$99 85½	$98 $71\frac{5}{16}$
Aggregate average of the last semi-annual dividends in 32 years,	$3 $01\frac{233}{256}$	$3 $12\frac{3}{64}$	$3 $08\frac{245}{512}$
Estimated average, *per annum*, for 32 years...........................			$6 $16\frac{245}{256}$

According to the foregoing table, the average of the last semi-annual dividends of all the banks, for five years, from 1808 to 1812, inclusive, was $3 72½ per cent. on the capital stock; since the one half of one per cent. has been semi-annually paid under the name of a bank tax to the state, the average for 27 years from 1813 to 1839, has been $2 $96\frac{269}{432}$ and during these two periods, embracing 32 years, it has been $3 $08\frac{245}{512}$.

Supposing the other semi-annual dividends to have been the same, (and it is reasonable to suppose they were not materially different,) the average annual dividends on the capital would be $7 45 per cent. in the period of five years, and \$5 $93\frac{53}{216}$ per cent. in that of 27 years, and \$6 $16\frac{245}{256}$ per cent. in that of 32 years. Stockholders have, therefore, received on their stock, during the whole period of 32 years, over one sixth part of one per cent. per annum, more than six per cent. which in the whole time amounts to \$5 42⅝ per cent.

The aggregate of capital of all the banks in 32 years, from 1808 to 1839, has been \$545,679,507 28, and the aggregate of dividends at the average rate of \$6 $16\frac{245}{256}$ per cent. per annum, has been \$33,666,080 88, which is \$925,310 44 more than \$32,740,770 44, the interest at six per cent. per annum. During these 32 years, the annual average of the capital has been \$17,052,484 60¼.

It has been estimated that the loss to stockholders in the banks of Massachusetts, in 32 years, from 1808 to 1839 inclusive, or the amount which it is probable those banks which have wound up, and which are winding up, have failed, or will fail, of paying par on the stock, will be about \$2,000,000,—scarcely a dollar of which loss had occurred till within the last three years. If we take from this sum the surplus of interest received over six per cent., which the banks have paid in dividends to stockholders during this time, \$925,310 44, we shall have the sum of \$1,074,689 56, as the remaining loss. This loss will reduce the average dividends during this period about three cents per annum, on \$100, and make the annual average dividends to have been \$5 97 *per cent.*, half of which has been semi-annually received on the capital stock over and above the loss to stockholders. It should also be added in this connexion, that, according to the returns in November, 1839, the "amount of reserved profits at the time of declaring the last dividend," that is, on the 7th of October, 1839, was \$1,516,325 34, which, after deducting \$894,982 16 for "debts due, and not paid, and considered doubtful," on the supposition that these "debts" are worthless, will be \$621,343 18, and will reduce the loss to \$453,346 06, and make the profits to have amounted to over \$6 08 per cent. per annum for the thirty-two years. This is indeed only an approximate result; but if we were to go through the labor of ascertaining the rate of dividends paid semi-annually, or the amount paid by each bank during this period, it is probable that the result would not be materially different. We have reference to the *original par value* of the stock, and not to what the shares may have cost individuals who afterwards purchased them. This result will bear a favorable comparison with the results of investments generally in other securities. We may suppose that other investments generally have not been so profitable, or at least have not been more profitable.

The loss to bill-holders and to depositors, though it may have pressed very heavily on a very few individuals, has not probably exceeded \$650,000 in the aggregate, or about one third of the loss to stockholders. The fraud or folly which has brought on this loss to either, is deserving of public indignation. The mass of stockholders have been as innocent of the mismanagement as the confiding bill-holder and depositor. The bill-holder generally has it in his power to dispose of the bills for nearly their par value, and, with the depositor, must be fully paid before the stockholders can receive any thing on their stock. The loss of one hundred dollars on bank bills, is no greater than the loss of one hundred dollars on bank stock.

The following table contains the number of banks, the aggregate capital, specie, circulation, ratio of specie to the circulation, deposits not on interest, and ratio of specie to the circulation and deposits, in Boston, for thirty-seven years, from 1803 *to* 1839, *inclusive, according to the bank returns.*

DATES.	*No. of B'ks.*	*Capital.*	*Specie.*	*Circulation.*	*Ratio of specie to circulation.*	*Deposits.*	*Ratio of specie to circulation and deposits.*
1803	2	1,600,000 00	561,669 00	714,840 00	1 to 1 27	1,179,116 00	1 to 3 37
1804	3	3,400,000 00	402,830 00	518,295 00	1 28	835,841 00	3 36
1805	3	3,400,000 00	326,426 00	250,394 00	0 76	669,519 00	2 81
1806	3	3,400,000 00	391,678 00	304,516 00	0 77	1,586,569 00	4 82
1807	3	3,400,000 00	225,690 00	243,518 00	1 07	1,303,375 00	6 80
1808	3	3,800,000 00	632,137 16	259,878 00	0 41	2,022,030 96	3 60
1809	3	3,800,000 00	399,184 26	646,221 00	1 61	1,549,753 47	5 50
1810	3	4,600,000 00	700,606 68	906,578 00	1 29	1,707,713 40	3 73
1811	3	4,600,000 00	830,829 45	1,059,313 00	1 27	2,847,747 83	4 71
1812	4	5,800,000 00	2,882,116 48	1,079,748 00	0 37	4,146,031 15	1 81
1813	4	7,000,000 00	4,569,574 59	1,375,380 00	0 30	5,472,347 68	1 49
1814	6	8,725,000 00	5,466,659 66	1,745,752 00	0 31	7,363,866 70	1 66
1815	6	9,100,000 00	2,232,353 00	1,548,193 00	0 69	3,090,770 42	2 07
1816	6	9,100,000 00	816,027 57	1,142,307 00	1 27	1,674,115 67	3 45
1817	6	6,800,000 00	1,031,374 24	1,220,151 00	1 18	2,989,812 25	4 08
1818	7	7,049,425 00	597,087 88	1,142,116 00	1 91	2,311,004 66	5 78
1819	7	7,350,000 00	740,216 48	1,067,682 00	1 44	2,058,287 12	4 22
1820	7	7,350,000 00	790,068 86	1,272,226 00	1 61	2,599,025 11	4 89
1821	7	6,550,000 00	2,277,909 69	1,329,411 00	0 58	4,661,901 19	2 58
1822	10	7,421,125 00	432,615 73	1,191,971 00	2 75	2,611,571 75	8 79
1823	10	8,050,000 00	503,787 04	1,353,892 00	2 68	2,453,090 62	7 55
1824	12	8,925,000 00	1,119,828 58	1,796,600 52	1 64	4,413,395 63	5 54
1825	14	10,300,000 00	527,789 79	*3,770,536 42	7 02	1,791,018 67	10 53
1826	15	11,050,000 00	736,117 56	3,942,650 54	5 35	1,649,533 70	7 59
1827	15	11,550,000 00	895,078 83	3,681,664 71	4 11	1,858,591 88	6 18
1828	16	12,343,050 00	654,344 91	4,445,599 56	6 79	1,178,801 24	8 59
1829	17	12,900,000 00	661,765 81	2,077,691 00	3 13	1,618,127 86	5 58
1830	17	12,350,000 00	910,390 63	2,171,417 00	2 38	2,194,230 88	4 79
1831	20	13,600,000 00	578,008 05	3,464,275 00	5 99	2,778,768 04	10 80
1832	22	15,150,000 00	596,381 85	3,060,129 00	5 13	1,757,623 16	8 07
1833	25	16,401,250 00	647,618 14	2,823,617 00	4 30	2,419,584 64	8 09
1834	26	17,150,000 00	876,332 76	2,934,451 00	3 34	3,656,627 31	7 52
1835	28	18,150,000 00	861,842 82	3,396,584 00	3 68	4,827,380 69	9 54
1836	33	20,118,850 00	1,155,853 41	4,260,948 00	3 68	7,136,276 13	9 86
1837	34	21,350,000 00	1,129,942 29	4,386,414 00	3 88	6,560,075 89	9 68
1838	28	18,450,000 00	1,690,169 59	3,388,658 00	2 00	5,005,966 89	4 96
1839	27	18,435,600 63	1,272,266 96	2,502,845 00	1 96	3,059,632 69	4 37
Agg	201	360,519,300 63	41,124,573 75	72,476,462 75	1 76	107,039,125 33	4 36

SUMMARY.

	Average No. of Banks.	*Average Capital.*	*Average Specie.*	*Average Circulation.*	*Average ratio of specie to circula'n*	*Average Deposits.*	*Average ratio of specie to circula'n and dep's*
10 yrs. from 1803 to 1812.	3	3,780,000 00	735,316 70$\frac{3}{10}$	598,330 10	1 to 0 81	1,784,769 68$\frac{1}{10}$	1 to 3 94
10 yrs. from 1813 to 1822	6$\frac{3}{5}$	7,644,555 00	1,895,388 77	1,303,518 90	0 68	3,483,270 26	2 52
10 yrs. from 1823 to 1832.	15$\frac{4}{5}$	11,621,805 00	718,349 30$\frac{1}{2}$	2,976,445 57$\frac{1}{2}$	4 14	2,169,318 16$\frac{8}{10}$	7 16
7 yrs. from 1833 to 1839.	28$\frac{5}{7}$	18,579,385 80$\frac{2}{7}$	1,090,575 13$\frac{6}{7}$	3,384,788 14$\frac{2}{7}$	3 10	4,666,506 32	7 38
37 yrs. from 1803 to 1839.	12$\frac{11}{37}$	9,743,764 88$\frac{7}{37}$	1,111,474 96$\frac{23}{37}$	1,958,823 31$\frac{28}{37}$	1 76	2,892,949 33$\frac{12}{37}$	4 36

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* The circulation in this, and the other tables, includes " bills or notes in circulation, *bearing interest*," from 1825 to 1828.

The following table contains the number of banks, the aggregate capital, specie, circulation, ratio of specie to the circulation, deposits not on interest, and ratio of specie to the circulation and deposits, in the banks out of Boston, for thirty-seven years, from 1803 to 1839, inclusive, according to the bank returns.

DATES.	*No. of B'ks.*	*Capital.*	*Specie.*	*Circulation.*	*Ratio of specie to circulation.*	*Deposits.*	*Ratio of specie to circulation and deposits.*
1803	5	625,262 00	518,259 00	850,349 00	1 to 1 64	343,155 00	1 to 2 30
1804	10	1,612,887 00	575,072 00	1,177,006 00	2 04	286,278 00	2 54
1805	13	2,060,000 00	521,572 00	1,303,430 00	2 49	351,710 00	3 17
1806	12	2,085,000 00	567,716 00	1,309,168 00	2 30	449,921 00	3 09
1807	13	2,160,000 00	489,093 00	1,238,259 00	2 53	410,593 00	3 37
1808	13	2,160,000 00	383,706 79	778, 61 00	2 02	526,686 35	3 40
1809	13	2,160,000 00	422,757 77	688,727 00	1 62	765,034 79	3 43
1810	12	2,085,000 00	647,116 01	1,191,913 00	1 84	754,164 26	3 60
1811	12	2,085,000 00	682,171 21	1,296,258 00	1 90	537,973 99	2 68
1812	12	2,160,000 00	799,579 79	1,082,610 00	1 35	588,294 85	2 08
1813	12	1,895,000 00	1,211,223 49	811,457 00	0 66	1,431,245 74	1 85
1814	15	2,325,000 00	1,479,882 96	1,176,859 00	0 79	1,837,851 63	2 03
1815	19	2,362,000 00	1,231,887 76	1,192,318 00	0 96	966,624 39	1 75
1816	19	2,375,000 00	444,182 88	992,383 00	2 23	459,163 31	3 26
1817	20	2,498,050 00	546,079 45	1,275,109 00	2 33	530,981 52	3 30
1818	20	2,699,850 00	532,510 39	1,538,361 00	2 88	594,793 27	4 00
1819	21	3,024,750 00	458,672 83	1,396,375 00	3 04	516,059 43	4 16
1820	21	3,250,000 00	490,783 15	1,342,508 00	2 73	576,977 98	3 91
1821	21	3,250,000 00	770,919 49	1,681,351 00	2 18	786,707 01	3 20
1822	23	3,400,000 00	513,651 20	1,940,581 00	3 77	621,256 38	4 99
1823	24	3,600,000 00	529,588 43	1,775,094 00	3 35	668,968 28	4 61
1824	25	3,932,350 00	820,014 14	2,016,041 00	2 49	825,248 85	3 50
1825	27	4,235,000 00	511,196 33	2,223,728 31	4 35	924,357 03	6 15
1826	40	5,599,996 55	587,702 51	2,462,228 63	4 18	987,201 82	5 86
1827	45	6,719,750 00	571,182 25	2,983,658 98	5 22	1,133,291 61	7 20
1828	45	6,994,750 00	490,300 80	3,038,265 78	6 17	884,271 42	8 00
1829	49	7,520,000 00	325,444 66	2,670,093 50	8 24	927,105 15	11 05
1830	46	6,945,000 00	348,053 42	2,952,673 00	8 48	1,380,726 16	12 13
1831	50	7,839,800 00	341,951 68	4,275,042 00	12 50	1,6.3,197 58	17 24
1832	61	9,370,200 00	305,823 93	4,062,727 00	13 21	1,181,347 17	17 14
1833	77	11,835,000 00	274,691 70	5,065,493 67	18 44	1,296,597 73	23 16
1834	77	12,259,450 00	233,963 33	4,715,695 75	16 60	1,253,426 41	21 01
1835	77	12,260,000 00	274,601 48	6,033,773 72	21 97	594,885 89	24 13
1836	84	14,359,260 00	299,377 06	6,631,301 50	22 18	1,648,240 81	27 65
1837	95	16,930,000 00	388,041 73	5,886,704 71	15 17	1,907,122 13	20 08
1838	92	16,180,000 00	704,454 65	6,011,854 75	8 53	2,116,675 14	11 53
1839	91	16,050,000 00	566,006 03	5,372,477 50	9 31	1,707,777 81	12 50
Agg	1311	207,763,355 55	20,909,231 30	92,470,039 80	4 42	34,398,912 89	6 06

SUMMARY.

	Average No. of Banks.	*Average Capital.*	*Average Specie.*	*Average Circulation.*	*Average ratio of specie to circula'n*	*Average Deposits.*	*Average ratio of specie to circula'n and dep's*
10 yrs. from 1803 to 1812.	11$\frac{1}{2}$	1,919,314 90	560,704 85$\frac{7}{10}$	1,091,588 40	1 to 1 94	501,381 12$\frac{4}{10}$	1 to 2 84
10 yrs. from 1813 to 1822.	19$\frac{1}{10}$	2,606,965 00	767,979 36	1,334,730 20	1 76	829,466 06$\frac{6}{1}$	2 83
10 yrs. from 1823 to 1832.	41$\frac{1}{5}$	6,265,684 65$\frac{1}{2}$	483,125 81$\frac{1}{2}$	2,848,955 22	5 89	1,063,571 50$\frac{7}{10}$	8 07
7 yrs. from 1833 to 1839.	84$\frac{5}{7}$	11,267,815 71$\frac{3}{7}$	398,733 71$\frac{1}{7}$	5,673,900 22$\frac{6}{7}$	14 23	1,508,532 27$\frac{3}{7}$	18 60
37 yrs. from 1803 to 1839.	35$\frac{16}{37}$	5,615.225 82$\frac{21}{37}$	565,114 35$\frac{5}{37}$	2,499.190 26$\frac{18}{3}$	4 42	929,689 53$\frac{28}{37}$	6 06

The following table contains the number of banks, the aggregate capital, specie, circulation, ratio of specie to the circulation, deposits not on interest, and ratio of specie to the circulation and deposits, in all the banks of Massachusetts, for thirty-seven years, from 1803 *to* 1839, *inclusive, according to the bank returns.*

DATES.	*No. of B'ks.*	*Capital.*	*Specie.*	*Circulation.*	*Ratio of specie to circulation.*	*Deposits.*	*Ratio of specie to circulation & deposits*
1803	7	2,225,262 00	1,079,928 00	1,565,189 00	1 to 1 44	1,522,271 00	1 to 2 85
1804	13	5,012,887 00	977,902 00	1,695,301 00	1 73	1,122,119 00	2 88
1805	16	5,460,000 00	847,998 00	1,553,824 00	1 83	1,021,229 00	3 03
1806	15	5,485,000 00	959,394 00	1,613,684 00	1 68	2,036,490 00	3 80
1807	16	5,560,000 00	714,783 00	1,481,777 00	2 07	1,713,968 00	4 47
1808	16	5,960,000 00	1,015,813 95	1,038,042 00	1 0	2,548,717 31	3 53
1809	16	6,960,000 00	821,942 03	1,334,948 00	1 62	2,314,788 26	4 44
1810	15	6,685,000 00	1,347,722 69	2,098,491 00	1 55	2,461,877 66	3 38
1811	15	6,685,000 00	1,513,000 66	2,355,571 00	1 55	3,385,721 82	3 79
1812	16	7,960,000 00	3,681,696 27	2,162,358 00	0 58	4,734,3[illegible]6 00	1 87
1813	16	8,895,000 00	5,780,798 08	2,186,837 00	0 37	6,903,593 42	1 57
1814	21	11,050,000 00	6,946,548 62	2,922,611 00	0 42	9,201,718 33	1 74
1815	25	11,462,000 00	3,464,241 21	2,740,511 00	0 79	4,057,394 81	1 96
1816	25	11,475,000 00	1,260,210 45	2,134,690 00	1 69	2,133,278 98	3 38
1817	26	9,298,050 00	1,577,453 69	2,495,260 00	1 70	3,520,793 77	3 81
1818	27	9,749,275 00	1,129,598 27	2,680,477 00	2 18	2,905,797 93	4 94
1819	28	10,374,750 00	1,198,889 31	2,464,057 00	2 05	2,574,346 60	4 20
1820	28	10,600,000 00	1,280,852 01	2,614,734 00	2 04	3,176,003 09	4 52
1821	28	9,800,000 00	3,048,829 18	3,010,762 00	0 98	5,448,608 20	2 77
1822	33	10,821,125 00	946,266 93	3,132,552 00	3 31	3,235,828 13	6 72
1823	34	11,650,000 00	1,033,375 47	3,128,986 00	3 02	3,122,058 90	6 04
1824	37	12,857,350 00	1,939,842 72	3,842,641 52	1 98	5,238,644 48	4 68
1825	41	14,535,000 00	1,038,986 12	5,994,264 73	5 76	2,715,375 70	8 38
1826	55	16,649,996 55	1,323,820 07	6,404,879 17	4 83	2,636,735 52	6 82
1827	60	18,269,750 00	1,466,261 08	6,665,323 69	4 54	2,991,883 49	6 58
1828	61	19,337,800 00	1,144,645 71	7,483,865 34	6 36	2,063,072 66	8 34
1829	66	20,420,000 00	987,210 47	4,747,784 50	4 81	2,545,233 01	7 38
1830	63	19,295,000 00	1,258,444 05	5,124,090 00	4 07	3,574,957 04	6 91
1831	70	21,439,800 00	919,959 73	7,739,317 00	8 41	4,401,965 62	13 19
1832	83	24,520,200 00	902,205 78	7,122,856 00	7 89	2,938,970 33	11 15
1833	102	28,236,250 00	922,309 84	7,889,110 67	8 55	3,716,182 37	12 57
1834	103	29,409,450 00	1,160,296 09	7,650,146 75	6 59	4,910,053 72	10 82
1835	105	30,410,000 00	1,136,444 30	9,430,357 72	8 29	5,422,266 58	13 06
1836	117	34,478,110 00	1,455,230 47	10,892,249 50	7 48	8,784,516 94	13 52
1837	129	38,280,000 00	1,517,984 02	10,273,118 71	6 76	8,467,198 02	12 34
1838	120	34,630,000 00	2,394,624 24	9,400,512 75	3 92	7,122,642 03	6 90
1839	118	34,485,600 63	1,838,272 99	7,875,322 50	3 28	4,767,410 50	6 87
Agg	1766	569,422,656 18	62,033,806 50	165,946,502 55	2 67	141,438,038 22	4 93

SUMMARY.

	Average No. of Banks.	*Average Capital.*	*Average Specie.*	*Average Circulation.*	*Average ratio of specie to circula'n*	*Average Deposits.*	*Average ratio of specie to circula'n and dep's*
10 yrs. from 1803 to 1812.	14$\frac{1}{2}$	5,609,314 90	1,296,021 06	1,689,918 50	1 to 1 30	2,286,150 80$\frac{1}{2}$	1 to 3 06
10 yrs. from 1813 to 1822.	25$\frac{7}{10}$	10,352,520 00	2,668,368 27$\frac{1}{2}$	2,638,249 10	0 99	4,315,736 32$\frac{6}{10}$	2 64
10 yrs. from 1823 to 1832.	57	17,897,469 65$\frac{1}{2}$	1,201,475 12	5,825.400 79$\frac{1}{2}$	4 84	3,222,889 67$\frac{1}{2}$	7 53
7 yrs. from 1833 to 1839.	113$\frac{3}{7}$	32,847,058 66$\frac{1}{7}$	1,489,308 85	9,410,818 37$\frac{1}{7}$	6 08	6,170,038 59$\frac{3}{7}$	10 22
37 yrs. from 1803 to 1839.	47$\frac{27}{37}$	15,389,801 51$\frac{31}{37}$	1,676,589 36$\frac{18}{37}$	4,485,040 60$\frac{35}{37}$	2 67	3,822,649 68$\frac{6}{37}$	4 93

AGGREGATE OF CIRCULATION AND DEPOSITS.

	AGGREGATE OF CIRCULATION.			AGGREGATE OF DEPOSITS.		
	In Boston.	*Out of Boston.*	*Total Circulation.*	*In Boston.*	*Out of Boston.*	*Total Deposits.*
1803 to 1812	5,983,301 00	10,915,884 00	16,899,185 00	17,847,696 81	5,013,811 24	22,861,508 05
1813 to 1822	13,035,189 00	13,347,302 00	26,382,491 00	34,832,702 60	8,324,660 66	43,157,363 26
1823 to 1832	29,764,455 75	28,489,552 20	58,254,007 95	21,693,181 68	10,535,715 07	32,228,896 75
1833 to 1839	23,693,517 00	39,717,301 60	63,410,818 60	32,665,544 24	10,524,725 92	43,190,270 16
1803 to 1839	72,476,462 75	92,470,039 80	164,946,502 55	107,039,125 33	34,398,912 89	141,438,038 22

Aggregate of Circulation and Deposits.

1803 to 1812	39,760,693 05
1813 to 1822	69,539,854 26
1823 to 1832	90,482,904 70
1833 to 1839	106,601,088 76
1803 to 1839	306,384,540 77

AGGREGATE OF CIRCULATION AND DEPOSITS.

	Boston.		*Country.*		*Total.*	*Total of Circulation and Deposits.*
	Cir. 5,983,301 00 +		10,915,884 00 =		16,899,185 00	
	Dep. 17,847,696 81 +		5,013,811 24 —		22,861,508 05	
1803 to 1812		23,830,997 81 +		15,929,695 24 —		39,760,693 05
	Cir. 13,035,189 00 +		13,347,302 00 =		26,382,491 00	
	Dep. 34,832,702 60 +		8,324,660 66 =		43,157,363 26	
1813 to 1822		47,867,891 60 +		21,671,962 66 =		69,539,854 26
	Cir. 29,764,455 75 +		28,489,552 20 =		58,254,007 95	
	Dep. 21,693,181 68 +		10,535,715 07 =		32,228,896 75	
1823 to 1832		51,457,637 43 +		39,025,267 27 =		90,482,904 70
	Cir. 23,693,517 00 +		39,717,301 60 =		63,410,818 60	
	Dep. 32,665,544 24 +		10,524,725 92 —		43,190,270 16	
1833 to 1839		56,359,061 24 +		50,242,027 52 =		106,601,088 76
1803 to 1839		179,515,568 08 +		126,868,952 69 =		306,384,540 77

The following tables are added, in order to show, at one view, the ratio of the specie to the bills in circulation, and to the sum of the circulation and deposits, in the Boston banks, in the banks out of Boston, and in all the banks of Massachusetts, together with the number of banks in the several years, and the average ratio in different periods, from 1803 to 1839, prepared from official returns.

DATES.	BANKS IN BOSTON.		BANKS OUT OF BOSTON.		BANKS IN THE STATE.	
	No. of Banks.	*Ratio of specie to circulation*	*No. of Banks.*	*Ratio of specie to circulation.*	*No. of Banks.*	*Ratio of specie to circulation.*
1803	2	1 to 1 27	5	1 to 1 64	7	1 to 1 44
1804	3	1 28	10	2 04	13	1 73
1805	3	0 76	13	2 49	16	1 83
1806	3	0 77	12	2 30	15	1 68
1807	3	1 07	13	2 53	16	2 07
1808	3	0 41	13	2 02	16	1 02
1809	3	1 61	13	1 62	16	1 62
1810	3	1 29	12	1 84	15	1 55
1811	3	1 27	12	1 90	15	1 55
1812	4	0 37	12	1 35	16	0 58
1813	4	0 30	12	0 66	16	0 37
1814	6	0 31	15	0 79	21	0 42
1815	6	0 69	19	0 96	25	0 79
1816	6	1 27	19	2 23	25	1 69
1817	6	1 18	20	2 33	26	1 70
1818	7	1 91	20	2 88	27	2 18
1819	7	1 44	21	3 04	28	2 05
1820	7	1 61	21	2 73	28	2 04
1821	7	0 58	21	2 18	28	0 98
1822	10	2 75	23	3 77	33	3 31
1823	10	2 68	24	3 35	34	3 02
1824	12	1 64	25	2 49	37	1 98
1825	14	7 02	27	4 35	41	5 76
1826	15	5 35	40	4 18	55	4 83
1827	15	4 11	45	5 22	60	4 54
1828	16	6 79	45	6 17	61	6 36
1829	17	3 13	49	8 24	66	4 81
1830	17	2 38	46	8 48	63	4 07
1831	20	5 99	50	12 50	70	8 41
1832	22	5 13	61	13 21	83	7 89
1833	25	4 30	77	18 44	102	8 55
1834	26	3 34	77	16 60	103	6 59
1835	28	3 68	77	21 97	105	8 29
1836	33	3 68	84	22 18	117	7 48
1837	34	3 88	95	15 17	129	6 76
1838	28	2 00	92	8 53	120	3 92
1839	27	1 96	91	9 31	118	4 28

SUMMARY.

	BANKS IN BOSTON.		BANKS OUT OF BOSTON.		BANKS IN THE STATE.	
	Average No. of Banks.	*Average ratio of specie to circulation.*	*Average No. of Banks.*	*Average ratio of specie to circulation.*	*Average No. of Banks.*	*Average ratio of specie to circulation.*
10 yrs. fm 1803 to 1812......	3	1 to 0 81	11 1-2	1 to 1 94	14 1-2	1 to 1 30
10 yrs. fm 1813 to 1822......	6 3-5	0 68	19 1-10	1 76	25 7-10	0 99
10 yrs. fm 1823 to 1832......	15 4-5	4 14	41 1-5	5 89	57	4 84
7, yrs. fm 1833 to 1839.....	28 5-7	3 10	84 5-7	14 23	113 3-7	6 08
37 yrs. fm 1803 to 1839.....	12 11-37	1 76	35 16-37	4 42	47 27-37	2 67

DATES.	BANKS IN BOSTON.		BANKS OUT OF BOSTON.		BANKS IN THE STATE.	
	No. of Banks.	*Ratio of specie to circ'lation and deposits.*	*No. of Banks.*	*Ratio of specie to circ'lation and deposits.*	*No. of Banks.*	*Ratio of specie to circ'lation and deposits.*
1803	2	1 to 3 37	5	1 to 2 30	7	1 to 2 86
1804	3	3 36	10	2 54	13	2 88
1805	3	2 81	13	3 17	16	3 03
1806	3	4 82	12	3 09	15	3 80
1807	3	6 80	13	3 37	16	4 47
1808	3	3 60	13	3 40	16	3 53
1809	3	5 50	13	3 43	16	4 44
1810	3	3 73	12	3 00	15	3 33
1811	3	4 71	12	2 68	15	3 79
1812	4	1 81	12	2 08	16	1 87
1813	4	1 49	12	1 85	16	1 57
1814	6	1 66	15	2 03	21	1 74
1815	6	2 07	19	1 75	25	1 96
1816	6	3 45	19	3 26	25	3 38
1817	6	4 08	20	3 30	26	3 81
1818	7	5 78	20	4 00	27	4 94
1819	7	4 22	21	4 16	28	4 20
1820	7	4 89	21	3 91	28	4 52
1821	7	2 58	21	3 20	28	2 77
1822	10	8 79	23	4 99	33	6 72
1823	10	7 55	24	4 61	34	6 04
1824	12	5 54	25	3 50	37	4 68
1825	14	10 53	27	6 15	41	8 38
1829	15	7 59	40	5 86	55	6 82
1827	15	6 18	45	7 20	60	6 58
1828	16	8 59	45	8 00	61	8 34
1829	17	5 58	49	11 05	66	7 38
1830	17	4 79	46	12 13	63	6 91
1831	20	10 80	50	17 24	70	13 19
1832	22	8 07	61	17 14	83	11 15
1833	25	8 09	77	23 16	102	12 57
1834	26	7 52	77	21 01	103	10 82
1835	28	9 54	77	24 13	105	13 06
1836	33	9 86	84	27 65	117	13 52
1837	34	9 68	96	20 08	129	12 34
1838	28	4 96	92	11 53	120	6 90
1839	27	4 37	91	12 50	118	6 87

SUMMARY.

	BANKS IN BOSTON.		BANKS OUT OF BOSTON.		BANKS IN THE STATE.	
	Average No. of Banks.	*Aver. ratio of specie to circulation and deposits.*	*Average No. of Banks.*	*Aver. ratio of specie to circulation and deposits.*	*Average No. of Banks.*	*Aver. ratio of specie to circulation and deposits.*
10 yrs. fm 1803 to 1812.	3	1 to 3 24	11 1-2	1 to 2 84	14 1-2	1 to 3 06
10 yrs. fm 1813 to 1822.	6 3-5	2 52	19 1-10	2 83	25 7-10	2 64
10 yrs. fm 1823 to 1832.	15 4-5	7 16	41 1-5	8 07	57	7 53
7 yrs. fm 1833 to 1839.	28 5-7	7 38	84 5-7	18 00	113 3-7	10 22
37 yrs. fm 1803 to 1839.	12 11-37	4 36	35 16-37	6 06	47 27-37	4 93

The above tables present a favorable view of the banks of Massachusetts during the last thirty-seven years, in respect to the ratio of specie to their immediate liabilities from circulation and free deposits. The ratio of both kinds has been generally less in the latter part of this period of thirty-seven years, especially in the country banks, from 1830 to 1837. In the last two years, this ratio has been very much increased, so that in 1838 and 1839 it had approximated considerably to the average of the whole period. The expansion of the paper currency, and also the increase of the capital, have been very much according to the prosperity of the times, and the activity of business.

It will be perceived, that generally, the specie in the Boston banks has been comparatively larger than in the country banks; but it should be borne in mind, that the latter have, for a number of years, usually had a deposit of specie in one of the banks in Boston, for the redemption of their bills, while at their own counters, specie, to any great amount, is seldom called for. There are only three years, namely, 1825, 1826, and 1828, in which the proportion of the specie to the circulation, has been more favorable in the country than in the Boston banks.

In 1812, 1813, 1814, 1815, and 1821, the amount of the specie in all the banks, exceeded the circulation. In 1813, it was nearly three times the circulation, the capital then being $8,895,000, the circulation $2,186,837, and the specie $5,780,798 08. The largest amount of specie was in 1814, when it was $6,946,542 62; but the circulation had increased during the preceding year in a greater proportion than the specie.

The smallest proportion of specie to circulation, in the Boston banks, was in 1825, when it was only $1 to 7 02; the smallest proportion in the country banks, was in 1836, when it was $1 to 22 18; and the smallest proportion in all the banks, was in 1833, when it was $1 to 8 55.

From 1836 to 1837, the ratio of the specie to the circulation, in the Boston banks, was a little diminished; and in the country banks, increased nearly one third part, or 31½ per cent.; and in all the banks, a little less than 10 per cent. In 1837, the bills in circulation of the Boston banks, were about (3 88,) four times the specie, while those of the country banks, were more than (15 17,) fifteen times the specie; but, it should be recollected, that the country banks had specie deposits in the Boston banks for the redemption of their bills. In 1838, the circulation of the Boston banks was twice the specie, while that of the country banks, was over eight and a half times the specie (8 53.) Thus, there was in one year, from 1837 to 1838, a reduction of the proportion of the circulation to the specie, in the aggregate average of all the banks, from 6 76 to 1, to 3 92 to 1, or 42 per cent., effected partly by diminishing the circulation over a million and a half in the Boston banks, though the circulation was increased in the country banks, in the sum of $125,150 04, and partly by increasing the specie, which was nearly doubled in the country banks, and in the Boston banks this increase was $560,227 30. In the Boston banks, this reduction was from $3 88 to $2, or more than 48 per cent.; in the country banks, from $15 17 to $8 53, or nearly 44 per cent.; and in all the banks, it was from $6 76 to 3 92, or 42 per cent. In 1838, the ratio of the specie to the circulation in the Boston banks, being as $1 to 2, was only 14 per cent. less than the average for 36 years, and that in the country banks, being as $1 to

8 53, was 49 per cent. less than the average for 36 years, and was the most favorable since 1830.

The aggregate ratio of the specie to the circulation, in the Boston banks, was better in 1839 than it had been since 1824; in the country banks, than it had been since 1830, except in 1838; and in all the banks, better than it had been since 1824, except in 1838.

The smallest proportion of the specie to the *circulation and deposits*, in the Boston banks, was as 1 to 10 80, in 1831; in 1825, it was as 1 to 10 53; in 1836, as 1 to 9 86. The smallest proportion in the country banks, was as 1 to 27 65, in 1836; before 1829, it had never been less than as 1 to 8. The smallest proportion, in all the banks, was as 1 to 13 52, in 1836.

From 1836 to 1837, this proportion in the Boston banks, was increased nearly two per cent.; in the country banks, 27 per cent.; and in all the banks, 8 per cent.

From 1837 to 1838, this proportion in the Boston banks, was increased nearly 49 per cent.; in the country banks, 42½ per cent.; and in all the banks, 44 per cent.

From 1838 to 1839, this proportion, in the Boston banks, was increased nearly 12 per cent.; in the country banks, diminished nearly 8 per cent.; and in all the banks, increased about the half of one per cent.

The ratio of the specie to the circulation and deposits, in 1839, in the Boston banks, differed only by a small fraction from the average for 37 years; in the country banks, it was 51 per cent. less, and in all the banks, about 28 per cent. less.

The following table exhibits, at one view, the average ratio of the specie to the circulation, and to the circulation and deposits, in all the banks of Massachusetts; in the bank of England, according to the quarterly returns in March, June, September, and December, (the ratio in 1838 embracing only the first three quarters;) and in all the banks in the United States, nearest to January 1, following the years in the first column, as the condition of these last is made up from the most recent returns on the first of January.

BANKS OF MASSACHUSETTS.			BANK OF ENGLAND.		BANKS IN THE UNITED STATES.		
Returns in	*Ratio of specie to circulation.*	*Ratio of specie to circulation & deposits.*	*Ratio of specie to circulation.*	*Ratio of specie to circulation and deposits.*	*Returns in*	*Ratio of specie to circulation.*	*Ratio of specie to circulation & deposits.*
1810	1 to 1 55	1 to 3 38	1 to 6 73	1 to 10 73	1811	1 to 1 82	....
1814	0 42	1 74	12 50	19 26	1815	2 67	....
1815	0 79	1 96	9 86	14 80	1816	3 57	....
1819	2 05	4 20	6 43	8 09	1820	2 26	1 to 4 07
1829	4 81	7 38	2 89	4 21	1830	2 77	5 28
1834	6 59	10 82	2 30	4 04	1835	2 35	4 25
1835	8 29	13 06	2 21	4 66	1836	3 50	6 38
1836	7 48	13 52	2 79	5 02	1837	3 67	7 29
1837	6 76	12 34	3 13	5 07	1838	3 28	6 06
1838	3 92	6 90	1 95	3 04			

On the seventh of May, 1838, the specie to the circulation, in all the banks in the United States, was as $1 to 3 08, and to the circulation and deposits, as $1 to 5 80.

The average ratio of the specie in all the banks of Massachusetts, for the five years, from 1834 to 1838, inclusive, according to the official returns, and in the bank of England, for the five years from December, 1833, to September, 1838, inclusive, according to the quarterly returns in March, June, September, and December, was

IN BOSTON.		OUT OF BOSTON.		IN THE STATE.		IN THE BANK OF ENGLAND.	
To circulation.	*To circulation & deposits.*	*To circulation.*	*To circulation & deposits.*	*To circulation.*	*To circulation & deposits.*	*To circulation.*	*To circulation & deposits.*
1 to 3 21	1 to 7 97	1 to 15 01	1 to 18 86	1 to 6 21	1 to 10 74	1 to 2 46	1 to 4 23

From which it appears, that during these five years, according to the returns, the average ratio of the specie to the circulation has been 30 per cent. more favorable in the bank of England than in the Boston banks, 510 per cent. more so than in the country banks, and 152 per cent. more so than in all the banks of Massachusetts; and also, during the same period, the average ratio of the specie to the circulation and deposits, has been 88 per cent. more favorable in the bank of England than in the Boston banks, 345 per cent. more so than in the country banks, and 153 per cent. more than in all the banks of Massachusetts. It should, however, be remembered, that London is truly the metropolis of the commercial world; and as such, we may suppose that the liabilities of its great monied organ to demands for specie, are in greater proportion than its superior ratio of bullion to that of the bullion in the banks of Massachusetts.

The following table shows the number and capital of the banks in Boston, in the country, and in the state, at different dates.

	No. of B'ks.	BOSTON.	*No. of B'ks.*	COUNTRY.	*No. of B'ks.*	TOTAL.
		Capital.		*Capital.*		*Capital.*
1803	2	1,600,000 00	5	625,262	7	2,225,262 00
1813	4	7,000,000 00	12	1,895,000	16	8,895,000 00
1823	10	8,050,000 00	24	3,600,000	34	11,650,000 00
1833	25	16,401,250 00	77	11,835,000	102	28,236,250 00
1839	27	18,435,600 63	91	16,050,000	118	34,485,600 63

In 1837, in consequence of the numerous charters granted in 1836, the whole number of banks returned, as having gone into operation, was 129, with a capital of $38,280,000; but, before the next returns, the charters of several having been surrendered or annulled by the legislature, the number in 1838 was 120, with a capital of $34,630,000.

From 1803 to 1813, inclusive, embracing eleven returns, the number of banks in Boston was doubled, and the capital was increased over four times; in the country, the number more than doubled, and the capital increased more than three times; and in the state, the number more than doubled, and the capital increased about four times.

From 1813 to 1823, inclusive, embracing eleven returns, the number of banks in Boston was increased two and a half times, and the capital increased by one seventh part; in the country, the number doubled, and the capital nearly doubled; and in the state, the number more than doubled, and the capital increased by nearly one third.

From 1823 to 1833, inclusive, embracing eleven returns, the number of banks in Boston was increased two and a half times, and the capital more than doubled; in the country, the number was increased more than three times, and the capital more than three times; and in the state, the number was increased three times, and the capital increased nearly two and a half times.

From 1833 to 1839, inclusive, embracing seven returns, the number of banks in Boston, increased by two, and the capital by about two million, or an eighth; in the country the number increased by fourteen, and the capital by a third part; and in the state, the number by sixteen, and the capital by a fifth part.

From 1803 to 1839, inclusive, embracing thirty-seven returns, the number of banks in Boston, increased thirteen and a half times, and the capital over eleven times; in the country, the number increased over eighteen times, and the capital twenty-six times; and in the state, the number increased nearly seventeen times, and the capital about fifteen times.

The increase of both the number and capital, during the whole period, has been in greater proportion than the increase of population, and in some portions of the period, obviously much greater than the amount of commercial business, or the good of the community, has required.

The increase of the bank capital from 1830 to 1837, embracing eight returns, was from $19,295,000 to $38,280,000, being the largest increase of any for an equal period since 1804. From 1809 to 1816, another period of equal length, the capital was also about doubled, or from $5,960,000 to $11,475,000. These two periods embrace the times when the charters of the two United States banks expired.

Now, it is presumed, that this increase of bank capital has been more rapid than the conditions requiring it have augmented. From 1809 to 1816, the increase of population was only about one thirteenth, or about eight per cent., and from 1830 to 1837, about one sixth, or seventeen per cent. On account of this consideration the increase in the first period would have been less than one million, instead of about five and a half millions; and, in the second period, it would have been a little more than three millions, instead of over nineteen millions; that is, the increase in both cases, six times more rapid than that of the population. If other circumstances had been equally strong for an increase of bank capital, the augmentation would still have been three times as great as the condition of the community required.

In consequence of the discontinuance of the United States bank in 1836, we will add two millions to the three millions as above, for the healthy increase of the capital of the state banks, and we should then have had in 1837, $24,000,000 instead of $38,280,000, which is more than 14 millions too much, according to the proportion in 1830.

During this period, neither in the state of New York, nor in that of Pennsylvania, (exclusive of the United States bank chartered in 1836, by the state,) was the increase of banking capital so great as in Massachusetts.

Throughout the United States, the banking capital and the number of banks were doubled in about seven years, from 1830 to 1836, inclusive. According to Mr. Woodbury's report on the state banks, January 8, 1838, the banking capital, which, according to returns received at the treasury department, including the United States bank chartered by congress, was, on the first of January, 1830, $145,192,268, with 330 banks, had, to the first of January, 1837, increased to $290,772,091, of the state banks alone, having 634 banks, and 154 branches; in all, 788. According to the same report, the banking capital, on the first of January, 1811, including the old United States, of $10,000,000, was 52,601,601, with 89 banks; and on the first of January, 1816, the capital of the state banks was $89,822,422, with 246 banks.

The increase of bank capital from 1830 to 1836, inclusive, or, for seven years, if according to the probable increase of population in the United States, would have been about 41 millions; this sum, added to 145 millions, would make 186 millions, so that there was an excess of banking capital of 104 millions in this period beyond the supply at the commencement of it.

Also, from 1811 to 1816, the increase was in excess above that of population, about 26 millions.

At other periods of our national history, there has been only a moderate increase of bank capital in the whole country. Such increase of bank capital could hardly fail of being a temptation to, and a cause of, extensive pecuniary engagements and embarrassments in the country.

Tables showing the Ratios of the Population to the Bank Capital, and to the Bank Circulation in Massachusetts.

1. In Boston.

DATES.	*Population*	*No. of B'ks.*	*Capital.*	*Ratio of population to capital.*	*Circulation.*	*Ratio of population to circulation.*
1803	27,430	2	1,600,000 00	1 to 58 33	714,840 00	1 to 26 06
1804	28,262	3	3,400,000 00	120 30	518,295 00	18 33
1805	29,093	3	3,400,000 00	116 86	250,394 00	8 60
1806	29,924	3	3,400,000 00	113 62	304,516 00	10 17
1807	30,756	3	3,400,000 00	110 54	243,518 00	7 91
1808	31,587	3	3,800,000 00	120 30	259,878 00	8 22
1809	32,418	3	3,800,000 00	117 21	646,221 00	19 93
1810	33,250	3	4,600,000 00	138 34	906,578 00	27 26
1811	34,255	3	4,600,000 00	134 28	1,059,313 00	30 92
1812	35,260	4	5,800,000 00	164 49	1,079,718 00	30 62
1813	36,255	4	7,000,000 60	193 02	1,375,380 00	37 92
1814	37,269	6	8,725,000 00	234 10	1,745,752 00	46 84
1815	38,274	6	9,100,000 00	237 75	1,548,193 00	40 45
1816	39,279	6	9,100,000 00	231 67	1,142,307 00	29 08
1817	40,284	6	6,800,000 00	168 80	1,220,151 00	30 28
1818	41,283	7	7,049,425 00	170 73	1,142,116 00	27 66
1819	42,293	7	7,350,000 00	171 42	1,067,682 00	25 50
1820	43,298	7	7,350,000 00	169 75	1,272,226 00	29 38
1821	46,295	7	6,550,000 00	141 48	1,329,411 00	28 71
1822	49,291	10	7,421,125 00	150 55	1,191,971 00	24 19
1823	52,288	10	8,050,000 00	153 95	1,353,892 00	25 87
1824	55,284	12	8,925,000 00	161 43	1,796,600 52	32 49
1825	58,281	14	10,300,000 00	176 72	3,770,536 42	64 69
1826	58,903	15	11,050,000 00	187 59	3,942,650 54	66 93
1827	59,525	15	11,550,000 00	194 03	3,681,664 71	61 85
1828	60,147	16	12,343,050 00	205 21	4,445,599 56	73 91
1829	60,769	17	12,900,000 00	212 27	2,077,691 00	34 19
1830	61,392	17	12,350,000 00	201 16	2,171,417 00	35 36
1831	64,834	20	13,600,000 00	209 76	3,464,275 00	53 43
1832	68,276	22	15,150,000 00	221 89	3,060,129 00	44 81
1833	71,718	25	16,401,250 00	228 69	2,823,617 00	39 37
1834	75,160	26	17,150,000 00	228 16	2,934,451 00	39 04
1835	78,603	28	18,150,000 00	230 90	3,396,584 00	43 21
1836	79,464	33	20,118,850 00	253 18	4,260,948 00	53 62
1837	80,325	34	21,350,000 00	265 79	4,386,414 00	54 60
1838	81,186	28	18,450,000 00	227 25	3,388,658 00	41 73
1839	82,047	27	18,435,600 63	224 69	2,502,845 00	30 50
Ag'gate	1,874,273	201	360,519,300 63	192 55	72,476,462 75	38 66

SUMMARY.

	Average Population.	*Average No. of Banks.*	*Average Capital.*	*Aver. ratio of Population to Capital.*	*Average Circulation.*	*Aver. ratio of Population to Circulation.*
10 yrs. from 1803 to 1812.	31,223$\frac{1}{2}$	3	3,780,000 00	1 to 121 06	598,330 10	1 to 19 16
10 yrs. from 1813 to 1822.	41,383$\frac{3}{5}$	6$\frac{3}{5}$	7,644,555 00	184 72	1,303,518 90	31 49
10 yrs. from 1823 to 1832.	59,969$\frac{9}{10}$	15$\frac{4}{5}$	11,621,805 00	193 79	2,976,445 57$\frac{1}{2}$	49 63
7 yrs. from 1833 to 1839.	78,357$\frac{4}{7}$	28$\frac{5}{7}$	18,579,335 80$\frac{3}{7}$	237 11	3,384,788 14$\frac{2}{7}$	43 19
37 yrs. from 1803 to 1839.	50,656$\frac{1}{37}$	12$\frac{11}{37}$	9,743,764 88$\frac{7}{37}$	192 35	1,958,823 31$\frac{28}{37}$	38 66

2. Out of Boston.

DATES.	*Population.*	*No. of B'ks.*	*Capital.*	*Ratio of population to capital.*	*Circulation.*	*Ratio of population to circulation.*
1803	410,452	6	625,262 00	1 to 1 52	850,349 00	1 to 2 07
1804	414,499	10	1,612,887 00	3 89	1,177,006 00	2 83
1805	418,547	13	2,060,000 00	3 91	1,303,430 00	3 11
1806	422,596	12	2,085,000 00	4 93	1,309,168 00	3 09
1807	426,644	13	2,160,000 00	5 06	1,238,259 00	2 90
1808	430,693	13	2,160,000 00	5 01	778,164 00	1 80
1809	434,742	13	2,160,000 00	4 96	688,727 00	1 58
1810	438,790	12	2,085,000 00	4 75	1,191,913 00	2 71
1811	442,909	12	2,085,000 00	4 73	1,296,258 00	2 92
1812	447,028	12	2,160,000 00	4 83	1,082,610 00	2 42
1813	451,147	12	1,895,000 00	4 20	811,457 00	1 79
1814	455,268	15	2,325,000 00	5 10	1,176,859 00	2 58
1815	459,388	19	2,362,000 00	5 14	1,192,318 00	2 59
1816	463,508	19	2,375,000 00	5 12	992,383 00	2 14
1817	467,628	20	2,498,050 00	5 34	1,275,109 00	2 72
1818	471,749	20	2,699,850 00	5 72	1,538,361 00	3 26
1819	475,869	21	3,024,750 00	6 35	1,396,375 00	2 93
1820	479,989	21	3,250,000 00	6 77	1,342,508 00	2 79
1821	485,704	21	3,250,000 00	6 69	1,681,351 00	3 46
1822	491,420	23	3,400,000 00	6 91	1,940,581 00	3 94
1823	497,135	24	3,600,000 00	7 24	1,775,094 00	3 57
1824	502,851	25	3,932,350 00	7 82	2,046,041 00	4 06
1825	508,566	27	4,235,000 00	8 32	2,223,728 31	4 37
1826	516,656	40	5,599,996 55	10 83	2,462,228 63	4 76
1827	524,746	45	6,719,750 00	12 80	2,983,658 98	5 68
1828	532,836	45	6,994,750 00	13 12	3,038,265 78	5 70
1829	540,926	49	7,520,000 00	13 90	2,670,093 50	4 93
1830	549,016	46	6,945,000 00	12 64	2,952,673 00	5 37
1831	558,563	50	7,839,800 00	14 03	4,275,042 00	7 65
1832	568,110	61	9,370,200 00	16 49	4,062,727 00	7 15
1833	577,657	77	11,835,000 00	20 49	5,065,493 67	8 76
1834	587,204	77	12,259,450 00	20 87	4,715,695 75	8 03
1835	596,750	77	12,260,000 00	20 54	6,033,773 72	10 11
1836	608,878	84	14,359,260 00	23 58	6,631,301 50	10 89
1837	621,006	95	16,930,000 00	27 26	5,886,704 71	9 47
1838	633,134	92	16,180,000 00	25 55	6,011,854 75	9 49
1839	645,262	91	16,050,000 00	24 87	5,372,477 50	8 32
Ag'gate	18,557,866	1311	207,763,355 55	11 19	92,470,039 80	4 98

SUMMARY.

	Average Population.	*Average No. of Banks.*	*Average Capital.*	*Aver. ratio of Population to Capital.*	*Average Circulation.*	*Aver. ratio of Population to Circulation.*
10 yrs. from 1803 to 1812.	428,690	$11\frac{1}{2}$	1,919,314 90	1 to 4 47	1,091,588 40	1 to 2 54
10 yrs. from 1813 to 1822.	470,167	$19\frac{1}{10}$	2,606,965 00	5 54	1,334,730 20	2 83
10 yrs. from 1823 to 1832.	$529,940\frac{1}{2}$	$41\frac{1}{5}$	6,265,684 $65\frac{1}{2}$	11 82	2,848,955 22	5 37
7 yrs. from 1833 to 1839.	$609,984\frac{3}{7}$	$84\frac{5}{7}$	14,267,672 $85\frac{5}{7}$	23 39	5,673,900 $22\frac{6}{7}$	9 30
37 yrs. from 1803 to 1839.	$501,564\frac{18}{37}$	$35\frac{16}{37}$	5,615,225 $83\frac{21}{37}$	11 19	2,499,190 $26\frac{18}{37}$	4 98

3. IN THE STATE.

DATES.	*Population.*	*No. of B'ks.*	*Capital.*	*Ratio of population to capital.*	*Circulation.*	*Ratio of population to circulation.*
1803	437,882	7	2,225,262 00	1 to 5 08	1,565,189 00	1 to 3 57
1804	442,761	13	5,012,887 00	11 32	1,695,301 00	3 83
1805	447,640	16	5,460,000 00	11 97	1,553,824 00	3 47
1806	452,520	15	5,485,000 00	12 12	1,613,684 00	3 56
1807	457,400	16	5,560,000 00	12 15	1,481,777 00	3 23
1808	462,280	16	5,960,000 00	12 89	1,038,042 00	2 24
1809	467,160	16	5,960,000 00	12 75	1,334,948 00	2 85
1810	472,040	15	5,685,000 00	12 04	2,098,491 00	4 44
1811	477,164	15	6,685,000 00	14 00	2,355,571 00	4 93
1812	482,288	16	7,960,000 00	16 50	2,162,358 00	4 48
1813	487,412	16	8,895,000 00	18 24	2,168,837 00	4 44
1814	492,537	21	11,050,000 00	22 43	2,922,611 00	5 93
1815	497,662	25	11,462,000 00	23 03	2,740,511 00	5 50
1816	502,787	25	11,475,000 00	22 82	2,134,690 00	4 24
1817	507,912	26	9,298,050 00	18 30	2,495,260 00	4 91
1818	513,037	27	9,749,275 00	19 00	2,680,477 00	5 22
1819	518,162	28	10,374,750 00	20 02	2,464,057 00	4 75
1820	523,287	28	10,600,000 00	20 25	2,614,734 00	4 99
1821	531,999	28	9,800,000 00	18 42	3,010,762 00	5 65
1822	540,711	33	10,821,125 00	20 01	3,132,552 00	5 79
1823	549,423	34	11,650,000 00	21 20	3,128,986 00	5 69
1824	558,135	37	12,857,350 00	23 03	3,842,641 52	6 88
1825	566,847	41	14,535,000 00	25 64	5,994,264 73	10 57
1826	575,559	55	16,649,996 55	28 92	6,404,879 17	11 12
1827	584,271	60	18,269,750 00	31 26	6,665,323 69	11 40
1828	592,983	61	19,337,800 00	32 61	7,483,865 34	12 62
1829	601,695	66	20,420,000 00	33 93	4,747,784 50	7 88
1830	610,408	63	19,295,000 00	31 61	5,124,090 00	8 39
1831	623,397	70	21,439,800 00	34 39	7,739,317 00	12 41
1832	636,386	83	24,520,200 00	38 53	7,122,856 00	11 19
1833	649,375	102	28,236,250 00	43 48	7,889,110 67	12 14
1834	662,364	103	29,409,450 00	44 40	7,650,146 75	11 54
1835	675,353	105	30,410,000 00	45 02	9,430,357 72	13 96
1836	688,342	117	34,478,110 00	50 08	10,892,249 50	15 82
1837	701,331	129	38,280,000 00	54 58	10,273,118 71	14 64
1838	714,320	120	34,630,000 00	48 47	9,400,512 75	13 16
1839	727,309	118	34,485,600 63	47 41	7,875,322 50	10 82
Ag'gate	20,432,139	1766	569,422,656 18	27 86	164,946,502 55	81 07

SUMMARY.

	Average Population.	*Average No. of Banks.*	*Average Capital.*	*Aver. ratio of Population to Capital.*	*Average Circulation.*	*Aver. ratio of Population to Circulation.*
10 yrs. from 1803 to 1812.	459,913	14½	5,599,314 90	1 to 12 39	1,689,918 50	1 to 3 67
10 yrs. from 1813 to 1822.	511,550 3/5	25 7/10	10,352,520 00	20 23	2,636,449 10	5 15
10 yrs. from 1823 to 1832.	589,910 2/3	57	17,897,489 65½	30 53	5,825,400 79½	9 87
7 yrs. from 1833 to 1839.	688,342	113 3/7	32,847,058 66 1/7	47 71	9,058,688 37 1/7	13 16
37 yrs. from 1803 to 1839.	552,219 36/37	47 27/37	15,389,801 51 31/37	27 86	4,485,040 60 35/37	8 07

In estimating the population of Massachusetts for each successive year, in the foregoing tables, the United States census for 1800, 1810, 1820, and 1830, and the state census for 1837, have been used, and a mean between the numbers in those years has been taken, for each of the intervening years, and for 1838, 12,989, the average annual increase during the seven previous years, have been added to the population of 1837. To the population of 1838, thus formed, 12,989 are added for that of 1839.

In estimating the population of Boston, the United States census for 1800, 1810, 1820, and 1830, the city census for 1825 and 1835, and the state census for 1837, have been used, and the population for the intervening years has been assumed to be the mean between those successive dates; and for 1838, 861, the average annual increase during the two preceding years are added to the last census, and for 1839, 861 have been added to the population of 1838. The population out of Boston, is obtained by deducting that of Boston from that of the whole state for each year. These results are to be considered only an approximation; but still, they are, doubtless, so near the truth, that the ratios probably do not vary more than one or two cents from exactness.

The number, capital, and circulation of the banks, are derived from the annual returns as published by the secretary of state.

The ratios of the population to the capital and to the circulation, are obtained by dividing the capital and the circulation successively, by the population for each year.

These tables exhibit some important results relating to the amount of the bank capital, and bank issues, compared with the population of Massachusetts, for the last thirty-seven years. These results suggest interesting reflections concerning the habits and condition of the people, as indicated by, and we may add, as modified by the banking institutions of the state, during this period. During these thirty-seven years, the bank capital per head, has increased nearly four fold in Boston, over sixteen fold out of Boston, and over nine fold in the whole state; its greatest increase was four and a half fold in Boston, nearly eighteen fold out of Boston, and nearly ten fold in the state, in 1837; its average above what it was in 1803, has been over three fold in Boston, over seven fold out of Boston, and over five fold in the state.

The circulation per head, in Boston, in 1839, was fourteen and a half per cent. larger than in 1803, and twenty-six and three fourths per cent. smaller than the average for the whole time; its greatest expansion in 1828, being nearly two and a half times that in 1839. In the country, it had increased four fold in 1839, and was then nearly double the average for thirty-seven years; its greatest expansion in 1836, being five times that of 1803. In all the banks, it had increased three fold in 1839, and was then one and one third times the average for thirty-seven years, its greatest expansion in 1836, being about four and a half times that of 1803.

In other words, the bank capital and the circulation of bank paper have increased in the above proportions faster than the population.

In this connexion, it may be mentioned, that, according to the United States census, the population of Boston, as compared with that of Massachussetts, has, in forty years, from 1790 to 1830, increased from 4.762

to 10.057 per cent. of that of the state, which is more than twelve times greater than the increase of New York city, as compared with that of the state of New York, and more than four times that of Philadelphia, as compared with that of Pennsylvania; in other words, in these forty years, Boston has increased, in respect to Massachusetts, 111.1927 per cent., New York city, in respect to the state of New York, only 8.9129 per cent., and Philadelphia, in respect to Pennsylvania, 27.2170 per cent.

In thirty-seven years, from 1803 to 1839, the population of Boston has increased nearly three fold, (2.99,) while its bank capital has increased over eleven fold, (11.52); the population of the country has increased one and a half fold, (1.57,) while its bank capital has twenty-five and a half fold, (25.50;) and the population of the state has increased one and a half times, (1.66,) while its bank capital has nearly fifteen and a half times, (15.49.)

But it is the *circulation* in its relation to the habits and condition of the people, to which we would particularly direct the attention. This has risen, during the period in question, from $1,565,189, 1803, to $10,892,249 50, or been increased seven fold, and per head five fold, in 1836. Its average per head for the thirty-seven years has been $8 07, or more than double what it was in 1803. What does this increase of paper currency indicate and imply? It implies a change in the habits and condition of the people. It implies that the greater amount of a paper currency (for we may suppose that the proportion of specie among the people has been during the whole period, and is now, as great as it was in 1803) has been *used* in the way of trade—of buying and selling; that the people have come into the habit of buying more than they used to; that they have come into the habit of living less within themselves; and that they have become more dependant upon others than they formerly were.

It is well known that the habits of the mass of the people have greatly changed during this period, as is indicated by the currency alone. The value of the products of certain branches of industry in Massachusetts, for the year ending April 1, 1837, was estimated at $86,282,616, and the hands employed at 117,352, over a seventh part of the population. A large portion of this business has been created in the last thirty-seven years; in other words, a larger proportion of individuals was then employed, and a larger proportion of manufactured articles produced, than in 1803; and we presume that it is not materially different now from what it was three years ago. Thus the attention and labor of many have been diverted from other pursuits, especially agricultural, to various manufacturing pursuits, which have rendered them more dependant for the necessaries of life upon others, and also others more dependant upon them for manufactured articles, which at length have become necessaries to all. The people formerly wore homespun, now they wear factory and imported cloths and silks; formerly they subsisted chiefly upon provisions of their own raising, now they rely much more upon foreign produce. In fact, if we survey the houses, the furniture, the luxuries, in fine, the whole apparatus of living, we shall find that, in the last thirty-seven years, the habits of the people of Massachusetts, their labors and occupations, have rendered them more dependant upon others, and upon foreign countries. Should this circulation be greatly and suddenly diminished, or wholly withdrawn, without a substitute, it would be attended with great distress among thousands and tens of thousands. It would take a long time, if it were possible, for them to return to their former habits and condition.

Art. VII.—SUGGESTIONS ON THE LAW OF AUCTIONS.

No. II.

CONDITIONS OF SALE, AND PUFFING.

It is expedient that the conditions of sales be reduced to writing, printed, and publicly announced, prior to the commencement of the sale. They may be read, or put up in some conspicuous place in the auction room. They should be drawn up carefully and with precision, so as to express the intentions of the party, and contain all the terms of the contract; for they are binding on the vendor and purchaser, and neither can travel out of them, and give evidence of what was said by the auctioneer at the time of the sale, in any respect varying the written or printed conditions; for it would open a door to fraud and inconvenience, if an auctioneer were permitted to make verbal declarations in the auction room contrary to the printed conditions of sale; or, in the words of Lord Ellenborough, men cannot tell what contracts they enter into, if the written conditions of sale are to be controlled by the babble of the auction room.

In the sale of real property at auction, care should be taken that the description be accurate, or the purchaser will not be holden. But if the description be substantially true, and be defective or inaccurate in a slight degree only, the purchaser will be required to perform the contract, if the sale be fair, and the title good. If every nice and critical objection be admissible, and sufficient to defeat the sale, it would greatly impair the efficacy and value of public judicial sales; and therefore if the purchaser gets substantially the thing for which he bargained, he may generally be held to abide by the purchase, with the allowance of some deduction from the price by way of compensation for any small deficiency in the value by reason of the variation.

The verbal declarations of an auctioneer, at the time of sale, are not admitted in evidence to explain ambiguities in the printed conditions. Nor will parol evidence be permitted to introduce a new term into the written agreement. The conditions of sale will be construed in accordance with the apparent intention of the parties, without reference to the technical expressions introduced into the agreement; thus, the term that the purchaser should make *satisfaction* to the vendor for not completing the sale, was holden to mean pecuniary satisfaction.

If the conditions provide that any mistake in the particulars shall not vitiate the contract, such stipulation does not extend to a wilful misdescription; so, when it is stipulated that the commodity shall be taken with all faults, such a proviso does not preclude the purchaser from availing himself of defects wilfully concealed by the vendor. On this branch of the subject, it will be sufficient to add, as a well settled principle, that the verbal declarations of an auctioneer, at the time of sale, are not admissible in evidence, for the purpose of varying, adding to, or explaining the printed conditions. But parol evidence may be introduced to prove *fraud*. If a material false description of goods be given in the particulars, the sale will be void; a trifling variation will not affect the validity of the contract.

A bidding at an auction may, unless the conditions of the sale express to the contrary, be retracted before the hammer is down. Every bidding is an offer on one side, which is not binding on either, until it is assented to, and that assent signified on the part of the seller by knocking down the hammer.

By the civil law, a private bidding by or on behalf of the vendor, is treated as a fraud; this was the doctrine of Lord Mansfield, and is an evidence of his lofty conception of right and morals; it certainly commends itself as a just rule: if the owner wishes to bid, he ought to reserve that right in the conditions of sale. The authorities are not uniform upon the subject; it may, however, be considered as settled, that the employment of a bidder by the owner will be fraud or otherwise, according to the circumstances tending to show innocent intentions or fraudulent design. Thus, if a bidder be appointed by the owner to prevent the estate from being sold at an undervalue, the transaction is valid. But if the person employed, was appointed not with a view to prevent a sale at an undervalue, but to take advantage of the eagerness of bidders, and thus enhance the price, it is fraudulent. So, if a number of bidders are employed, to increase the price by a pretended competition, and the bidding was not sincere, but a mere artifice, in combination with the owner, to mislead the judgment and inflame the zeal of others, it is a fraudulent and void sale. It will be a void sale if the purchaser prevails on the persons present to desist from bidding, by reason of suggestions by way of appeal to the sympathies of the company. A bidder who procures goods to be struck off to him, by false representations made by him at the time of the sale to those assembled to bid, cannot insist upon the transaction as a sale.

If two persons, being desirous of purchasing certain articles advertised for sale at auction, agree not to bid against each other, but that one of them shall bid in the property, and then divide it between them, such an agreement is without consideration and void, and against public policy. In short, it seems generally understood, that some person will bid on the part of the owner, and it is deemed lawful for the owner to employ a bidder for the purpose of preventing a sacrifice of his property; for by so doing, the seller is enabled to protect himself against the tricks which otherwise might be practised upon him by bidders.

It is lawful to place goods in the hands of an auctioneer for sale, with directions that he shall not part with or dispose of the same, unless they produce a particular sum; the restriction not being considered as an unlawful means of enhancing the price of the goods, or as an imposition upon fair purchasers.

STATUTE OF FRAUDS.

This celebrated statute of 29 Charles II., was enacted with a view to prevent contracts concerning real estate from being enforced, or damages recovered for the breach of such contracts, unless proved by written evidence; it being found inconvenient to depend upon the memory or the integrity of witnesses, in disputes relating to real estate. Some of its provisions relate to the validity of contracts concerning personal property; the leading idea of the statute being, that certain kinds of contracts should be in writing. This statute, or a part of it, has been adopted in most, if not all, of the United States. It has been made a question, both in England and in this country, how far auction sales were within the provisions of the statute of frauds. The provision of the statute of this State, as to goods, chattels, or things in action, is, that every contract for the sale of them, for the price of fifty dollars or more, shall be void, unless,

1st. A note or memorandum of such contract be made in writing, and be subscribed by the parties to be charged thereby; or,

2nd. Unless the buyer shall accept and receive part of such goods, or the evidences, or some of them, of such things in action; or,

3rd. Unless the buyer shall, at the time, pay some part of the purchase money.

The question that arose in sales at auction was, whether the auctioneer had authority to sign a memorandum, so as to bind the purchaser? The statute of this State provides, that whenever goods shall be sold at public auction, and the auctioneer shall, at the time of the sale, enter in a sale-book a memorandum specifying the nature and price of the property sold, the terms of the sale, the name of the purchaser, and the name of the person on whose account the sale is made, such memorandum shall be deemed a note of the contract of sale within the statute of frauds. It is now generally understood in England and in the United States, that an auctioneer is the agent of both parties, and authorized by the purchaser, either of lands or goods, to sign the contract of sale for him as the highest bidder. The writing his name as the highest bidder in the *memorandum* of the sale by the auctioneer, immediately on receiving his bid, and knocking down the hammer, is a sufficient signing of the contract within the statute of frauds, so as to bind the purchaser. Entering the name of the buyer by the auctioneer, in his book, is the same thing as if the buyer had written his own name. The purchaser who bids and announces his bid to the auctioneer, gives the auctioneer authority to write down his name.

AUCTIONEER'S DUTY IN TAKING CARE OF PROPERTY, AND THE MODE OF SELLING.

The responsibility of an auctioneer as to the safe keeping of property entrusted to him for sale, is the same as that of a factor. He is required to keep it with the same care as a prudent man would his own. He is not liable in cases of robbery, fire, or any other accidental damage which may happen without his default. It is generally true, that the trust reposed in an agent cannot be transferred; yet reasonable convenience, and attention to the benefit of his employer, will often justify him in delegating the custody of goods to another, provided due care is taken to select a proper depositary.

An auctioneer is bound to possess such a degree of skill as is ordinarily possessed by men of that profession, and he is bound to use great care and diligence in the execution of his trust. If he be not furnished with instructions, he must pursue the accustomed course of the business in which he is employed, and is responsible for damage arising from incompetence, negligence, or breach of orders. What the usages of each trade are, is the subject of proof as the occasion arises; unless they are such, as by repeated proof have become to be recognised in the law. If he depart from his instructions, he is liable to his employer for all the damages sustained thereby. Thus, where an auctioneer sold a house for a sum less than the price limited by his instructions, and credited the vendor the full price, he was held bound, though the price was the full value of the property sold. And where a factor had been instructed to sell for cash, and he permitted the purchaser to take the goods away without payment at the time of sale, he was held liable, though a usage among factors was proved of allowing to purchasers a week or fortnight to make payment, where the sales were for cash.

An auctioneer would not be charged with breach of instructions, if compliance with them would have been a fraud upon others. If he disobey by mistaking his instructions, he is responsible. If he has notice that the property he is about to sell is not the property of his principal, but notwithstanding such notice, he sells the same, he is personally liable to the true owner for the produce of the sale.

An auctioneer has not only possession of the goods which he is employed to sell, but he has an interest coupled with that possession. He has a special property in them, and a lien upon them for the charges of the sale—his commission and the auction duty. He may sue the buyer for the purchase money; and if he gives credit to the vendee, and makes delivery without payment, it is at his own risk. He has such a special property in goods sold by him, as will enable him to maintain an action for the price of the goods against the vendee, even though the goods were sold at the house of his employer, and were known to be his property. He is, in some sense, not only an agent, but a contracting party, and may sue the purchaser in his own name. It is his duty to receive payment for goods sold by him; and if, instead of doing so, he rescinds a contract, and receives the goods back after sale, he will be liable to an action at the suit of his employer. If he sell goods and deliver them without any notice of any lien or claim which he has on the owner, and the buyer, without such notice, settle for the goods with the owner, the auctioneer cannot sue the buyer for the price of the goods. If he sell the goods of B as the goods of A, and the buyer pay the price to A, the auctioneer cannot recover the price from the buyer. If no payment be made by the buyer in such case, and the auctioneer bring an action against him for the price of the goods, the buyer may set off a debt due from A to him.

If an auctioneer sell an estate without a sufficient authority, so that the purchaser cannot obtain the benefit of his bargain, the auctioneer will be compelled to pay all the costs which the purchaser may have been put to, and the interest of the purchase money, if it has been unproductive.

As the right of property remains in the principal, notwithstanding the possession of the auctioneer, the principal may maintain an action of trover against the auctioneer for goods wrongfully disposed of by him. A disposal contrary to express directions is such a conversion as will sustain the action; but it has been held, that where goods were deposited with a person to be sold at not less than a certain price, and the depositary sold them at a less price, the owner could not maintain trover against him, but must resort to a special action on the case.

An action may be supported against an auctioneer, if he rescinds a contract made with a purchaser, without his employer's consent.

If the auctioneer does not disclose the name of his principal at the time of his sale, the purchaser is entitled to look to him personally for the completion of the contract, and for the damages for its non-performance. He cannot sell by private contract, when property has been entrusted to him for sale by auction. If he exceed his authority, and any loss ensue from it, he must bear it, unless his principal recognise his doings; and if any gain result, he must account for it to his employer. If he be ordered to sell goods at a particular price, and they are of a perishable nature, and not in a condition to be kept, and the auctioneer has no time nor opportunity for consulting with his employer, in such case, he would probably be justified for selling under the price limited, to prevent a total loss. He is deemed an agent of the seller at the sale only, and therefore, after the sale is made, he has no incidental authority to deal with the purchaser, as to the terms upon which a title is to be made, without some special authority for that purpose. Before knocking down the goods, he is the agent of the seller only; after knocking them down, he becomes agent of both parties; that is, of the vendor and purchaser.

If the sale of an estate by auction become nugatory by the negligence of the auctioneer, he will not be entitled to any recompense for his services from the vendor.

It does not appear clear upon the authorities, whether an auctioneer has, by virtue of his office, a right to warrant the goods sold by him. In case of judicial sales by marshals and other public officers, they have no authority to warrant. If he be employed to sell, with express orders not to warrant, or without sufficient authority to that effect, nevertheless does warrant, he is responsible to the purchaser. But if he make a warranty on a sale at auction, after he has disclosed the name of his principal, pursuant to his authority, he will not be personally liable to the purchaser for any breach of the contract, unless it should appear by the terms of the warranty, that he has individually bound himself.

If after the purchase money has been paid, and the sale completed, it appears that there was any defect in the article sold, of which the seller was aware, but fraudulently concealed, and which the buyer had not the means of discovering by the exercise of ordinary diligence, the purchaser may maintain an action upon the case for a deceit in the sale.

A party defrauded is not obliged to consider the contract void, but may, at his option, maintain an action of deceit, or a special assumpsit, and recover damages for the fraud. But if he commence an action of deceit, it will be a waiver of his right to consider the contract as void, he having thereby made his election to consider it as subsisting.

Where the goods are not delivered at all, and the purchase money has been paid, the purchaser may either declare specially on the contract, and obtain damages for the non-delivery, or he may recover the money which he has paid in an action for money had and received. If goods be sold of a certain value, and if they prove to be of a different kind and of little value, after returning the goods, the consideration paid may be recovered by the vendee, although there be no express warranty or fraud in the sale. If the goods be of any, though but of small value, the vendee cannot rescind the contract, so as to entitle himself to recover back the money paid, without first returning the goods. Affixing the name of an old master against a picture in a catalogue, is merely a representation of the auctioneer's opinion, and not such a warranty as will subject the seller to an action, if it turns out that it was not the work of the artist to whom it was attributed.

ART. VIII.—MERCANTILE LAW CASES.

SPECIAL AND GENERAL PARTNERS.—NOVEL INSURANCE CASE.—MERCHANTS' CLERKS—CONTRACT.—SALVAGE CASE.

SPECIAL AND GENERAL PARTNERS.

An action was recently brought in the United States Circuit Coutt, Judge Betts presiding, by the President, Directors, and Co. of the Hampden Bank, *vs.* Edward M. Morgan, Henry F. Morgan, Knowles Taylor, and William H. Jessup, to recover about $14,000, being the balance of an account. The action, though nominally against all the defendants, was virtually against Knowles Taylor, the other parties making no defence. On the part of Taylor the defence set up was, that he had been only the special, and not general partner of the other defendants, and as such, was not liable in the present action.

It appeared that in the latter part of December, 1836, Taylor and the other defendants formed a partnership, in which it was agreed that Taylor should put in $75,000, and be only a special partner. This partnership was advertised in the usual way, and the other requisitions of the law complied with, as the defendant alleged.

The advertisement announced the formation of the partnership under the different names which composed the firm, and also contained the word company, and it is now contended that the use of the word company was contrary to the express provisions of the statute relative to special partnerships, and rendered all the members of the firm general partners. It was also alleged, that there was not sufficient proof of Taylor's having put in a cash capital of $75,000, and that if he had done so, he afterwards withdrew it. In proof of the latter allegation, it was shown, that during the existence of the firm, which failed in about three months after its commencement, Taylor had obtained small sums at various times from the firm. But in relation to his having paid into the firm the cash capital of $75,000, it was so fully proved as to admit no doubt of it. It was also contended, on the part of the plaintiff, that the certificate of the partnership had not been sworn before the proper officer, as it was sworn before the Recorder, who is not a judge of the county court within the meaning of the law.

The court charged the jury, that it was conceded that a cash capital must be paid bona fide by the special partner, and if he fails to do so he is to be considered a general partner. But the court held, that the certificate and affidavit was prima facie evidence that the money had been paid, and required no further evidence until this proof was impeached by the other party, and evidence adduced on their part to show that the money never had been paid. But in the present case, besides the certificate and affidavit, the defendant had also produced other proof that he paid the money. But if the jury found the fact that the defendant had not paid in the capital, they should on that ground find a verdict for the plaintiff.

The court also ruled, that the word "Company," in the title of the firm, rendered the defendant and all the other members general partners.

The court considered that the withdrawal of part of his capital only rendered the defendant responsible to pay it back, but in order to raise the point of law, it was necessary to ascertain the fact, and the jury were to say whether he had withdrawn any part of his capital.

The jury would therefore find two facts, whether the defendant had paid in the capital, and whether he had withdrawn any part of it. And then on the other questions of the law involved in the case, the jury would, under the direction of the court, find a verdict for the plaintiff.

The jury find that the sum of $75,000 was paid into the concern of E. M. Morgan & Co. by the defendant, Knowles Taylor. They find also that no part of said money has been withdrawn by the said defendant.

And under the charge of the court, they find a general verdict for plaintiff, in the sum of $14,116 29.

NOVEL INSURANCE CASE.

The Quebec Gazette publishes a long report of an insurance case, an abstract of which may be of some interest to the readers of the Merchants' Magazine. It is the case of Robert Gillespie and others against J. B. Forsyth and others, and was this: The schooner Industry, having, besides the master and a supercargo, a crew of ten men, including the mate, sailed from Quebec in June, 1837, with a cargo, for Montego Bay. On the vessel's arrival there, the supercargo discharged the master, and previous to her sailing on her return voyage to Quebec, appointed the mate (Dixon) master. To supply the place of Dixon, one of the seamen was appointed mate, as fully competent to discharge all the duties of that office, depending on seamanship, although he could not write, and was not what is called a navigator. Before the appointment, however, Captain Dixon and the supercargo endeavored to find a person of higher qualifications, but without success. The vessel, on her return home, was lost in the Gulf of Florida, during a violent storm, but not from any want of skill or knowledge on the part of the master, or from any fault or insufficiency of the mate.

The vessel was insured at the Canada Marine Insurance office, on her return cargo, for £2000, after the change of masters; and the name of Dixon, the new master, was mentioned as such, in the policy. Payment of the insurance was resisted on the ground that the vessel was *unseaworthy* at the time of her sailing from Montego Bay, she not having on board a mate of *competent qualifications*, nor any person on board capable of taking charge of her in case of disqualifying accident to the master. The case, by mutual consent, was referred to Chancellor Kent, of New York, and Sir J. Campbell, the Queen's attorney general. The opinion of Chancellor Kent covers the whole ground of the principles of insurance in the premises. That of the Attorney General is brief. The decision was, that the mate *was* competent to all the duties pertaining to that office, and that the supercargo had a right, as the representative of the owners of the vessel, to change the master, and that the question should go to the Jury as one of fact rather than law. The verdict of the Jury was in favor of the plaintiffs—£2000, with interest from the service of the process.

MERCHANTS' CLERKS—CONTRACT.

An action for damages for a breach of contract was recently brought in the Marine Court, New York, before Judge Schieffelin. The plaintiff, Daniel B. Taylor, was a salesman, and the defendant, Dominick R. Smith, a dry goods dealer in Chatham-street.

The contract, dated September 7th, 1839, was to the effect that the plaintiff was to serve as salesman for the defendant for three months, with a proviso that if, at the end of that time, he was found competent to perform the duty of salesman, and that the business of the defendant grew no worse than at the beginning of the time, then the plaintiff should continue for six months, at a salary of six hundred dollars per annum. At the end of the first three months, (or a date sworn to by some witnesses as December 7th, and by others as December 11th,) the defendant told the plaintiff that he "didn't require his services any longer." The plaintiff, however, remained until the 18th of December, when he was discharged.

It was therefore to recover for an alleged breach of the contract, in the discharge of the plaintiff before the expiration of the specified time, that the action was brought.

It was proved, also, on the part of the plaintiff, that at this season of the year, it was difficult for a clerk or salesman to procure employment.

The defence was, that the plaintiff was not sober or attentive to business while in the defendant's service; and that at the time of his discharge the business had greatly fallen off, and was not likely soon to improve. It was proved by one witness, that during the three months, the plaintiff was on several occasions considerably *fuddled*, and another witness swore that he was occasionally inebriated.

To rebut this testimony, the plaintiff called several witnesses, who stated that if the plaintiff had occasionally been *fuddled* during the specified time, he was not an habitual inebriate. The same witnesses also testified to the fact of its being difficult at this season of the year for a clerk to procure employment.

The Court charged, that the jury should give to the contract a reasonable construction, according to the general usage prevailing in a commercial community; and in arriving at a conclusion, it would be necessary for them to consider—1st. Whether the plaintiff was competent as a salesman? 2d. Had he done any act which would justify his discharge? 3d. Had it appeared that the business of the defendant had fallen off at the expiration of the first three months? and, 4th. If the terms of the contract had been in other respects complied with, did it appear that the plaintiff was discharged at a proper and legal time, inasmuch as the first three months expired on the evening of the sixth of December?

The jury rendered a verdict for the plaintiff of sixty-five dollars, damages and costs.

SALVAGE CASE.

In the United States Circuit Court, Judge Thompson presiding, an important decision was made in the case of E. Hope and others *vs.* the brig Dido, her tackle and cargo. The report is compiled from the Journal of Commerce. The law decisions of that journal are generally very correct, and can be implicitly relied upon for their fidelity. The main question involved in this case was, whether a vessel which had lost her rudder, but was capable of being steered by her sails, was to be considered wholly unnavigable, and was in such a state that the pilots who brought her into port were entitled to salvage, or to be paid only as pilots.

The Dido left Rochelle, in France, for New York, on the fifth of December, and on the second of February she lost her rudder; from which period until the fifth of March she was steered by her sails. On that day she was fallen in with by a pilot boat, which boarded her between Fire Island and the Highlands, and inquired if she wanted a pilot, to which the captain replied in the affirmative. The pilot remarked to the captain that his vessel had lost her rudder, and asked two hundred dollars for bringing her into port. The captain refused to give so much, and the pilot intimated to him that unless he would have the pilot boat to tow in his vessel, he, the pilot, would leave her. The captain consented to this proposal, and the brig was taken in tow by the pilot boat, and her sails were used to steer as before until she came under the Highlands, where she cast anchor. The ensuing morning, the sails of the brig were again set, and the pilot boat continued ahead of her until she came to Fort Diamond. From this place a signal was made for a steamboat, which went down from the city and towed her up. The vessel and cargo were then relinquished by the pilots, and some difficulty having afterwards occurred in relation to the compensation claimed by them, they brought the matter before the Board of Wardens, who adjudged one hundred and sixty-two dollars as compensation for their services. From this decision the pilots appealed to the Recorder, who adjudged them about seven hundred dollars, which the parties concerned refused to pay them. The pilots then libelled the vessel and cargo, and claimed salvage on their value, alleged to be about $130,000. On this claim for salvage, Judge Betts awarded them between three and four hundred dollars, or about one half the sum which had been awarded them by the Recorder, and discharged the claim on the cargo of the vessel, with costs. From this decision both parties appealed to the United States Circuit Court, and Judge Thompson overruled the decision given by Judge Betts, and decided that this was not a case of salvage, and was only a case in which the pilots were entitled to extra compensation for pilot duty. He therefore awarded the pilots only one hundred and sixty-two dollars, which had been adjudged them by the Port Wardens, and without costs, as the parties interested in the vessel had offered to pay that amount, and the pilots refused it. The court also ordered, that the claimants for the cargo should recover their costs.

Art. IX.—ANNUAL REPORT OF THE MERCANTILE LIBRARY ASSOCIATION.

[We have concluded to enlarge the present number of our magazine, for the purpose of laying before our readers, entire, the nineteenth annual report of the Mercantile Library Association of New York. It will, we think, be read with interest by all who have at heart the welfare of an institution that promises so much for the moral and intellectual improvement of the mercantile character of the great commercial emporium of our country.

It is matter of regret that the spirit and zeal manifested in the establishment of institutions of this class, often flags when their novelty ceases; but those who will take the trouble to trace the rise and progress of this association, will find that its advance has been steadily and rapidly, onward. Indeed, its volumes, members, and resources, have been daily augmenting, and, notwithstanding a season of unusual commercial embarrassment, the report exhibits a greater degree of prosperity during the past than in any preceding year.

The character of the president and directors of the new board, for energy, efficiency, and intelligence, gives assurance, that nothing will be wanting on their part to carry out the views of their predecessors, and advance, with the same laudable spirit, the best interests of the association. The report of Mr. Ward, which follows, is an able and business-like document, alike creditable to the author and the association.]

REPORT.

The close of another year in the existence of our Institution, brings with it the agreeable duty of giving a report of our doings for that period. But, before entering into detail, we may pause for a moment to congratulate you upon the prosperous condition in which they will show us to be placed. We have not, indeed, reached the highest attainable point of excellence, in the formation of plans for the accomplishment of the great object had in view by the founders of the Institution; but, in other respects, we have matter rich and abundant for hearty rejoicing. We congratulate you upon the possession of a Library seldom equalled, and rarely surpassed;—a Reading Room furnished with the periodical literature of nearly all England and America, and with the most ample conveniences for perusing it;—courses of Lectures of peculiar brilliancy, whether you regard the arrangement and discussion of the subjects, or the elegant style and diction of the distinguished men by whom they are delivered;—in fine, we congratulate you upon the establishment of Literary and Scientific classes, and whatever other means of improvement have already been adopted. The pleasure of present success is not a little heightened by a comparison with the past. If we revert to the earlier periods of our history,—a short, but eventful space,—we shall find still higher gratification in contrasting what we *are* with what we *were*. We shall have the joy that accompanies the triumph of wisdom over folly; of perseverance over discouragement; of growth over neglect; of success over opposition. The future, too, presents a prospect of increasing delight. Judging from what we have done, what may we not expect to do? The path to eminent utility and fame lies through a country not difficult to be cleared; but the pioneers must be judicious in the choice, and energetic in the use, of the means selected for the accomplishment of their task. These are the requisitions for prosperity in the important work before us; and in the virtue and intelligence of our members we trust they will ever be found.

From this general view of our condition, which affords so much matter for gratulation, we now proceed to a statement of our proceedings during the past year.

LIBRARY.

Soon after entering upon our duties, we directed our attention to an examination of the Library, in order to ascertain in what departments of learning the greatest deficiencies existed. A slight investigation proved sufficient to show, that in works upon the several sciences, general history, and geography, it was, though moderately supplied with the recent popular treatises, still much wanting in those of a more extensive and profound character. Accordingly, measures were taken to procure, as far as our means would admit, the requisite supply, and thus to give greater uniformity and completeness to the several departments. With this view, in the early part of the year, an order, comprising about 450 volumes, chiefly works published during the last few years, was transmitted to Messrs. Smith, Elders, & Co., of London, accompanied with a remittance of £200.

A large number, also, of very valuable works, and well adapted to our library, has been obtained through the instrumentality of Mr. Charles Welford, to whom we take pleasure in acknowledging our obligation. This gentleman, during his stay at London in the early part of the year, made for us a most judicious selection from the stores of literary and scientific productions there only to be met with. For a list of these we may refer generally to our catalogue, which bears ample evidence of his well directed exertions. We may be allowed here to mention a few of the most valuable obtained from this source, viz: The Monthly Review, in 204 volumes; The Eclectic Review, in 66; The Transactions of the Society of Arts, Commerce, and Agriculture, in 47; The Philosophical Magazine, in 88; Journal of the Royal Institution in Cobbett's Parliamentary History of England, in 36; Murray's Family Library, in 64; and Annual Obituary, in 21 volumes. Respecting the character of the works added during the past year, we believe it to be such as will reflect credit upon the institution, and increase its reputation for usefulness. We feel gratified to know that our efforts have been duly appreciated by those who have sought the benefit of a perusal of these volumes; and to find, in the diminished demand for books of a light and trivial kind, what we esteem a very substantial proof, that nothing is wanting to diminish the prevailing taste for superficial reading, but a liberal supply of those works which combine *instruction* with amusement.

To give the members easy access to all the new works added to the library, seemed to require an additional supplementary catalogue, which, by embodying the one prepared last year, would contain all the additions made since the general catalogue was published. The work of arranging it was entrusted to Mr. Thomas Delf, who has accomplished the arduous task in a manner creditable both to himself and to the institution. The board of direction in 1837, had a large edition of the general catalogue printed; 1,000 of which still remained unbound. It was therefore deemed advisable to have those bound up with the supplement now prepared, to facilitate their disposal; and also have a sufficient number bound separately, for those who are in possession of that catalogue. This will afford a ready index to all the books now in our possession.

Various improvements have been made in the library and reading room, from time to time, as the necessity has become apparent, to facilitate the convenience of the members.

At the period of the last annual report the library contained		18,323 vols.
Added during the past year, by purchases,	3,527 vols.	
" " " " " " donations,	56 "	
Total during that period, ...		3,583 "
Making the whole number, ...		21,906 "

now in our possession. Besides the addition of new works, made during the past year, there have been 1814 volumes re-bound, in a neat and durable manner.

While on this subject, we may remark, that the abuse of books has been a cause of much complaint, and, for several years past, been noticed in the reports. We are happy in being able to say that this practice has nearly, if not entirely, ceased. The committee appointed by the board, in conformity with the constitution, to examine the books and property of the association, report, that not a single instance of wilful abuse of its property has come to their knowledge. The eradication of this evil has been ardently desired; and in future, we trust, there will be no cause of complaint on account of the mutilation of our common property, in which we all have an equal interest.

READING ROOM.

This department is now well furnished. We have continued to supply it with foreign and domestic periodicals as far as our resources would admit. It now vies with the best in this country. Periodical literature is both of a useful and instructive character. It presents the views of living writers, embracing in its range all the new discoveries in the arts and sciences, besides much miscellaneous matter only to be found in such publications, and combining, as it were, "the very age and body of the time." The reading room now contains one hundred and fifteen European and American Periodicals. The constant attendance of the members fully attests the popularity of this branch of the institution, and consequently, that the treasures of knowledge it contains are sought after and appreciated.

MEMBERS.

The number of members added since the last report exceeds that of any preceding year. This constant accession gives additional evidence, that the advantages afforded by the association are duly appreciated, and leads us to indulge the hope, that at no distant period we shall have all who are entitled to admission numbered among us.

The whole number of members, according to the last annual report, on the 1st of January, 1839, was		4,527
Added during the past year,	1,097	
Deduct withdrawals for same period,	323	
Nett gain,		774
Making the total, on the 1st January, 1840,		5,301

There are of this number 4,901 at $2 per annum, 124 who pay $5 annually, and 278 stockholders of Clinton Hall Association. Of those first mentioned, but 3,652 are regular paying members.

It is proper to observe, that of the number required to pay $2 annually, there are 715 whose accounts are suspended, and, as there is no power vested by the constitution in the board, by which either payment may be enforced or delinquents expelled, in each annual report *must* appear a number of barely nominal accounts, which is yearly increasing, and will probably continue to, unless there is some provision made for the expulsion of members who shall have neglected to pay their dues for the period of one year. This would have a tendency to diminish the number of bad accounts, and obviate the necessity of including them in the reports. The firm foundation upon which the institution now rests, renders any artificial view of its affairs unnecessary. The new constitution about to be presented for your approval, contains, we are happy to say, a salutary clause in reference to this subject.

TREASURY.

By reference to the Treasurer's Report, hereto annexed, it will be seen, that our financial condition has also been greatly improved. This is gratifying, as it has enabled the directors further to extend the usefulness of the association.

The total amount of receipts for the past year, is $9,209 01. For a statement of the receipts and disbursements for that period, we refer to that report.

But while we are thus enabled to congratulate you upon our increased resources, it becomes a less pleasing duty to state, that, within the last few years, that individual liberality which contributed so largely, in our early history to the extension of our library by donations, has been constantly diminishing. This is much to be regretted, as, when we reflect, that a single volume presented by each member, (which would scarcely be missed by the donor,) would make a number in the aggregate equal to the purchases of a whole year.

To those who have kindly contributed donations of books, minerals, and autographs, and to the Messrs. Smith, for the donation of a splendid clock, manufactured by them expressly for the association, we offer our sincere acknowledgments. Among the donations of autographs, we take pleasure in calling your attention to the valuable collection presented by the Hon. Ogden Hoffman, comprising all the names of the members composing the 25th congress.

LECTURES.

The course of lectures delivered during the close of the year 1838, and the beginning of 1839, was, in a pecuniary point of view, highly successful. The surplus remaining after liquidating all the expenses incurred, was $1,009 41, which was duly paid over to the present board by the late lecture committee.

This balance was, by a resolution of the last board of direction, handed over to us, to make such disposal of it as we might deem proper; and, as the establishment of a permanent lecture fund had been repeatedly urged by our predecessors, it was, therefore, thought to be advisable to still hold this sum for the purpose of creating such fund. We have, accordingly, by resolution, passed it over to our successors, for that object, should it in their opinion be thought proper. We would recommend, that in future, any surplus accruing from the lectures be added to this fund, if created; and, also, that such other measures be adopted by our successors to increase it as may seem necessary or expedient. The advantage of such a fund is obvious, whether the lectures hereafter become, or not, engrafted among the legitimate objects of the association.

The arrangements made for the delivery of lectures during the present winter, were submitted to you in October last. As the crowded state of our lecture room, heretofore, had been a cause of much complaint, the board endeavored to obviate it, by making arrangements for the delivery of two courses of lectures. This measure, we thought, would not only remove a just cause of complaint, but also permit a larger number to participate in the benefits afforded by this popular branch of instruction.

Another change made, is in the increased number of lectures delivered on each subject. This, we think, commends itself strongly to your favorable consideration. The plan hitherto adopted, of delivering single lectures upon important subjects, is rather a means of amusement than of instruction; while the plan now presented will combine both. To commercial young men, lectures are a desideratum not easily supplied. The mind, engrossed during the day by the cares of business, has not time to enter upon the investigation of any of the numerous subjects connected with the sciences and the arts, in the manner adopted by men of leisure. It is, therefore, important that a commercial institution, like ours, should afford especial encouragement to this department. This being settled, the question arises, should it be the means of amusement or instruction? It is clear that the latter should be the paramount object, though the former will follow, of course, if the choice of lecturers be judicious.

Under this view, the board deviated from the plan hitherto pursued, and made arrangements for two courses on scientific subjects, of ten lectures each, and one on a branch of German literature in six lectures, in addition to the numerous lectures on miscellaneous subjects, interspersed in the courses. Thus far it has been eminently successful, as is sufficiently attested by the numerous and gratified audience that has attended during the course just completed. The second one will commence on the 20th of January next, and from the number of gifted minds engaged to participate in it, and the low price at which members are admitted, we may reasonably anticipate a full attendance, and an additional demonstration, we trust, in favor of the views here expressed.

We would recommend to our successors, if it be not thought advisable to change the whole system according to the suggestions offered in a subsequent part of this report, to pursue, as far as may be expedient, this plan.

CLASSES.

This department is in a progressive condition, and continues to receive encouragement. Many have availed themselves of the opportunity thus presented, of acquiring a knowledge of the modern languages, drawing, and elocution. The board, sensible of the importance of classes, have adopted rules for their government, with the view of aiding their prosperity, and promoting a friendly intercourse between the board and the teachers.

There are six classes engaged under Mr. Bekeart, in the study of the French language. The meetings of the two principal classes are held in this building. Those of the remaining four, owing to want of room, at the private residence of the instructor. The whole number at present under the tuition of this gentleman is 123; who have expressed to the board their full confidence in his ability as an instructor.

The class in Spanish, under the supervision of Don Carlos Rabadan, contains 20 students; and the one on Elocution, under Mr. Dwyer, numbers 14. Classes are also formed in Drawing, and Bookkeeping; the former under the charge of Mr. Newbery, and the latter, Mr. Jones. These meet at their apartments. Any member joining either of these classes will receive instruction at a greatly reduced charge. So far as the board has been informed, the instructors in the different branches give entire satisfaction.

It has been a source of much regret, that we have been unable to offer inducements for the formation of classes in Chemistry, and in other branches of study, in addition to those already organized. This is owing to the limited accommodation possessed by the association, having but one apartment that can be appropriated to this object. This disadvantage we must patiently bear with, until additional room can be obtained from Clinton Hall Association. No application has been made to the board of trustees, during the past year, in reference to this subject, as it was well known that existing engagements with others would prevent them from yielding to our wishes. We recommend it to the attention of our successors.

The most amicable relations continue to subsist between Clinton Hall Association and the board of direction; and, from the liberal spirit always manifested by the trustees, we are induced to believe that, upon application, they will, at their earliest convenience, set apart for our use such other apartments as may seem necessary. It will then be in the power of the board to increase the number of classes, so as to afford to young men so disposed, an opportunity for the regular pursuit of many very important branches of study immediately connected with their profession, besides others highly useful in other points of view. Thus will this department of the association be rendered eminently serviceable, especially to our younger members, many of whom have entered the counting room without the advantage of previous complete or systematic education. The leisure which they enjoy after business hours, will, if thus employed, be in general found sufficient, with the aid of the library to which they have access, to supply entirely, or in a great measure, the deficiencies of early education, before the time comes for them to assume the responsible stations of principals in mercantile houses. Nor would the benefit of these classes, properly formed and conducted, be small even to those who had previously received what is styled a liberal education. To such the study of foreign languages, or some of the higher branches not usually far pursued in literary institutions, might offer inducements to form classes of great advantage to themselves, and great credit to the institution. This whole subject is worthy of most careful consideration.

It may not be improper, while on the subject of classes, and apartments for their accommodation, to allude to a subject, in which, we think, our members should feel much interest. By reference to the agreement existing between the two associations, by which we are granted the use of our present commodious rooms, it will be seen that after the debt which accrued in building Clinton Hall has been liquidated, the fund arising from the rents, etc., is to be expended in purchasing books and apparatus for our library. Although nine years have elapsed since this building was erected by the munificence of our merchants—a period at first thought to be more than sufficient for discharging the debt then contracted, which was $18,000—still, owing to the commercial revulsions which of late years have swept away the accumulated earnings of so many of our merchants, and to the curtailment of the income arising to Clinton Hall Association, in consequence of setting apart additional accommodation for our use, $12,000 of that sum still remains unpaid. These causes make the period quite remote when we may expect aid from that source, unless the board of directors can adopt some measure to facilitate the early liquidation of this debt; and, as its early or late payment is calculated principally to affect the interest of our institution, it becomes worthy of consideration, whether some steps cannot be taken to assist the board of trustees in effecting this object. As a means of so doing, we would recommend that exertions be made to dispose of a sufficient number of the shares of the stock of Clinton Hall Association remaining unsubscribed for, to raise the necessary sum.

MUSEUM.

This feature in the institution, though of very recent origin, is fast becoming prominent. It is dependant for its increase entirely upon the contributions of individuals: and we take pleasure in stating, that many curious and interesting specimens have already been received, for which we desire to make due acknowledgments. We cannot forbear also to express our obligation to Mr. John H. Redfield, for his kind and valuable services in arranging and classifying the minerals in scientific order. We earnestly entreat our members to contribute more liberally in future towards this branch of the institution. Many may be in possession of valuable specimens which they would cheerfully present to us, if the subject were brought to their attention.

It will readily occur to every one, that in order to sustain this and other similar departments, we must have increased accommodations in Clinton Hall. This subject has already been touched upon in another part of this report, but still we may here just remark, that in our judgment no small benefit would accrue to us, could we have rooms also for literary conversation, for a picture gallery, and other like purposes. As an incipient step towards a collection of choice works both of nature and art, a subscription might be opened for the purchase of Audubon's birds, the magnificent plates of which might be framed and suspended on the walls of the apartments appropriated to things of this kind. Numerous contributions of paintings might with reason be expected from members and others; and in time, a vast and valuable assemblage of specimens of this elegant art.

SCHOLARSHIP.

In the early part of the past year, one of the scholarships granted to the association by Columbia College, became vacant by the withdrawal of Mr. James Weatherspoon. Public notice was, therefore, given, that such vacancy existed. From among the applicants, the board conferred the appointment upon Mr. John Sym, who presented strong claims on the ground of integrity and intellectual qualifications. From the testimonials adduced in his favor, we have the fullest confidence that the honor has been worthily bestowed.

PLAN OF IMPROVEMENT.

In the last annual report, a plan of improvement was submitted, by which the association might be made to assume the form and afford the benefit of a collegiate institution. The plan contains much that recommends itself to our favorable consideration, and may be *ultimately* practicable and expedient. At present, however, we are compelled to question the propriety of its adoption, at least in the detail. The objections to it are indeed both numerous and weighty. In confirmation of this, it seems proper to mention, that early in the year a committee was appointed to consider and report upon the whole subject; and, although a powerful effort was made to bring it about, experience soon showed more fully the utter hopelessness of success at present. The time, indeed, may come, when it will find fewer difficulties in the way of its adoption. In the meantime, however, it becomes us to consider whether any new system of improvement can be devised, that will enable us to employ to more advantage the valuable materials we already possess, without incurring additional pecuniary responsibility, or interfering too much with the leisure or regular occupation of our members.

The end had, or that ought to be had, in view by us all, is, moral and intellectual improvement. Diversity of opinion, then, can exist only in relation to the best means of promoting it. But even here, difference in sentiment, it is thought, would be materially lessened by due consideration of the circumstances of those for whose benefit we labor. Were the members of the association so situated as to be able to devote the whole, or even the larger portion of their time, to literary and scientific pursuits, we might with reason entertain the idea of giving to our institution the form and advantages of a regular college. But the very nature of the case seems to forbid the cherishing of this view. All of our members are necessarily engaged, during the day, in the busy pursuit of their profession, and this must, of course, occupy their chief attention. Any employment, therefore, be it ever so worthy in other respects, that shall so engross their minds as to prevent proper regard to their main vocation, must and will be considered as highly prejudicial both to them and their employers, Accordingly, if by their connexion with our association, be the cause what it may, they are led to deviate from the straight line of business affairs, the institution will soon come to be considered a thing of doubtful utility, and consequently, much, if not all, the aid and countenance now afforded us by merchants, will be entirely withdrawn. Such a state of things no one could desire, and certainly every one would deprecate. The question then arises, how shall we best promote the moral and intellectual welfare of our members, without injuring their commercial interests? That much improvement in our present arrangement may be made, is verily believed. We have, indeed, done much, but much more remains to be accomplished; for, thus far, we seem to have been engaged principally in procuring materials for future operations.

Possessing, as we do, a large, valuable, and constantly increasing library; classes formed and engaged, under competent instructors, in the regular pursuit of several useful branches of education; a well supplied reading room, and courses of interesting and instructive lectures: it may with much reason be said, these surely are amply sufficient to answer all the purposes of the institution; and, under careful and judicious arrangement, it is believed they would. But with all these advantages within our reach, it must be obvious that some system is wanting by which the different departments may be made more immediately useful to, and dependant upon, each other. The plan then that we would respectfully submit to the consideration of our successors is simple, and may be carried into effect, without incurring much, if any, additional pecuniary responsibility. We propose that the directors shall, with the best aid and advice they can obtain, ascertain first what branches of knowledge are likely to prove most beneficial to our members as citizens and as merchants. In every one of these, let classes be formed under competent teachers, and every possible encouragement extended to them. Then cause our lectures to be so arranged as to subserve the useful purpose of more fully developing the studies pursued in the several classes. To this it might be objected, that we would narrow down the subjects of the lectures to the necessarily few studies pursued in the several classes that may be formed, and so benefit the small number who attend them, at the expense of the mass. The answer to this, we think, is full and satisfactory. The studies pursued *need* not be few, though the number in attendance upon them might be small. If the course of studies marked out be complete, and the courses of lectures be made accordingly, all objection on this ground will cease. Let classes be formed, or proposed to be formed, in the Classics, in Spanish, in French, in German, in Rhetoric and Oratory, in Moral and Natural Philosophy, in Chemistry, in short, in whatever may be thought necessary; and you will have a range of topics for lectures sufficiently wide to gratify the wishes of every one. The advantage of having these two branches thus conducted would be manifold. Let us suppose this system in operation, that we may take a view of a single part. Among the classes, some are engaged in studying the French language. They are occupied in acquiring the pronunciation, grammatical forms, and syntax of the language; and, perhaps, in translating from some one of the elementary books. In that language, locked up in a great measure from them, is an immense literature, of which most of them know perhaps little or nothing. The teacher has no time to enter into long details, or perchance requires to refresh his own mind. The whole class, like the miners of Pompeii, or Herculaneum, are darkly digging a passage into something, of which they have heard or read some vague account, but of the extent of which they are really ignorant. In this state of things, some man deeply read in the literature of the French, and able to give an interesting and eloquent history of the same, is announced as a lecturer. He traces its origin, progress, and extent; gives us a portrait of the principal characters who have mainly contributed to its advancement; and a judicious comparison of it with the literature of other nations. What member of the class, nay, what member of the association, would not hail with pleasure the announcement of such a lecturer?

In this way, it will be seen, that the two modes of instruction, by classes and by lectures, would be made mutually to assist each other, in carrying forward the design of their institution, which, with the aid of the library and reading room, will afford the means of quite a complete system of education, adequate to all the necessary purposes of life. But in order to make the library and reading room still more useful, let a lecture or lectures be given on the subject of discretion in the selection of books for reading, and the best method of studying an author. And with a view to greater variety still, let the whole be interspersed with occasional lectures upon such subjects of general interest, as may relieve the tedium of severer study, or furnish the means of literary entertainment.

We have thus ventured to throw out a few suggestions, which if acted upon, would, we think, tend vastly to increase our usefulness, without materially increasing our labors or expenses. The plan, either with or without modification, might be adopted and prosecuted during the ensuing year, as no increased outlay is required for this purpose. Time will, doubtless, discover defects and difficulties in its operation. These may be removed, or the system improved by the wisdom of succeeding directors; if not, let them be set down among the things to be endured as inseparable from the successful accomplishment of a worthy object.

It is always gratifying to reflect, that amid the many changes to which human friendships are liable, occasional instances occur of constancy of attachment. We have been led to this reflection by the pleasing circumstance, that he whose hand first traced the lines that called public attention to, and which resulted in, the formation of this laudable institution, continues to manifest a zealous interest in its welfare. We allude to William Wood, Esq., who, during a recent visit to England, transmitted to us many valuable documents, and established intercourse with several literary and scientific institutions in London, in Liverpool, and in Manchester. Correspondence between kindred societies may be of great utility in cultivating harmony and good feelings, and, perhaps, aid in suggesting new improvements for the mutual benefit of the respective associations. We avail ourselves of this occasion to make due acknowledgments to Mr. Wood, and also to thank him, on your behalf, for the presentation of a portrait of Mr. James Maury, ex U. S. Consul at Liverpool, and formerly a prominent merchant of this city.

CONCLUSION.

We have now laid before you a statement of the proceedings of the board during the past year. It has yielded, as we see, the most abundant evidence of prosperity. But it must not on this account be imagined, that we have reached the point of greatness or excellence to which it should be our highest ambition to attain. Let our past prosperity be a stimulant to greater exertions in future. With unison of mind and concert of action, the association may be made the means of conferring upon the young men now coming upon the theatre of action, the greatest benefit.

We feel proud indeed to congratulate, not only you, but the whole commercial community, upon the possession of an institution like ours, belonging exclusively to the mercantile profession, and solely aiming at the promotion of its intellectual character. Not only have we, as an association, done much to elevate the mental character of merchants, but our efforts have animated others, apart from us, to the same laudable work. The eminent success which has attended the formation of this commercial institution, has brought into existence other aids, in elevating as well as vindicating the dignity of the profession: among the most prominent is the establishment of a Magazine devoted entirely to the interests of commerce. Heretofore, while almost every department of learning, embracing polite literature, politics, the sciences, the arts and manufactures, have had journals advocating their respective claims upon public attention, a commercial chronicle has been wanting, that might furnish a history of the rise, progress, influence, and statistics of commerce, together with the mercantile literature of the day. This has happily been supplied by "*Hunt's Merchants' Magazine, and Commercial Review*," commenced under the auspices of this, and similar associations. The success which has thus far attended this work, is another evidence of the liberality of our merchants, and a most flattering mark of approbation upon the efforts of the editor and proprietor, FREEMAN HUNT, Esq., in this new field of periodical literature.

The able manner in which it is conducted, renders it worthy of the most ample support, which we trust it will continue to receive from all who are engaged in commercial or other pursuits.

Having now performed the last duty of our office, we conclude with expressing, in obedience to the dictates of courtesy and gratitude, the high gratification we have ever experienced in our intercourse with our fellow members. In making this acknowledgment, we take especial pleasure, as it gives indication of a spirit that cannot be too highly commended. In these demonstrations of mutual kindness, which seem light in the eyes of a superficial observer, we may discern the basis of that unanimity, from which may be expected to spring the most happy results; and without which, vigorous efforts and powerful resources, so far from being beneficial, will speedily become destructive. Nor can we let pass the occasion respectfully and affectionately to remind those whose interest we now cease officially to promote, of the importance of cherishing unity of sentiment, energy of action, and amity of deportment, among themselves. Such a course, best befitting the dignity we ought ever to sustain, and essential to the success of every body united for a common object, will secure to the Mercantile Library Association the richest rewards of benevolent enterprise.

Dr. *The Mercantile Library Association in Account with W. Brenton Boggs, Treasurer.* Cr.

1839.				
Dec. 31.	To cash for	Books and Periodicals, .	$4,278	23
"	"	Binding, ...	729	60
"	"	Catalogues, ...	78	00
"	"	Gas Light, ...	422	92
"	"	Printing, ...	464	16
"	"	Insurance, ...	244	37
"	"	Salaries of Librarian, 2 Assistants, and Keeper, . . .	1,883	74
"	"	Incidental Expenses of Library . . .	222	12
"	"	Fixtures	377	95
"	"	Loss on counterfeit and broken Bank Notes . .	24	00
"	Balance in Treasury, ...		483	92
			$9,209	01

1839.			
Dec. 31.	By Balance in Treasury, Jan. 9, 1839,	$117	45
"	Initiation Fees, ...	1,097	00
"	Quarterly Dues, ...	6,482	00
"	Catalogues, ...	242	75
"	Fines, ...	260	40
"	Loan from Lecture Committee of 1838 and 1839, . . .	1,009	41
		9,209	01
1840.			
Jan'y 2.	By Balance in Treasury, . . .	483	92

W. BRENTON BOGGS, *Treasurer.*

New York, January 2, 1840.

ANNUAL MEETING.

The Nineteenth Annual Meeting of the Members of the Mercantile Library Association was held at Clinton Hall, on Tuesday evening, January 14th, 1840.

The meeting was called to order by the President, on whose motion, Philip Hone, Esq., was called to the chair.

The Minutes of the last annual meeting were read and approved.

The Treasurer read his Report of the receipts and expenditures for the past year, which, on motion of Charles Rolfe, Esq., was accepted.

The President read the Nineteenth Annual Report, which, on motion of H. H. Elliot, Esq., was unanimously adopted, and ordered to be printed.

The President named the following gentlemen, as inspectors of the election to be held on the following day:—Reuben Leggett, Henry P. Marshall, Samuel O. Howe, Albert R. Cooke, Robert S. Jenkins, John R. Platt, James Rintul, Charles W. Fisher, Henry Dexter, William W. Wright, Augustus N. Saltus, John De Witt Chambers.

The Report of the committee on amending the Constitution was called up and read, when, on motion of Charles Rolfe, Esq., it was Resolved, That when this meeting adjourns, it will adjourn to meet on Saturday evening, February 1st, and, that the proposed amendments to the Constitution be made the special order of business for that evening.

On motion of ——————

Resolved, That the thanks of the association be tendered to Philip Hone, Esq., for his friendly feeling expressed towards the institution, and his services as chairman of this meeting.

On motion of Mr. Ellsworth Cheesebrough, Resolved, That the thanks of the association be tendered to Elijah Ward, Esq., for his very able annual report presented this evening.

On motion of Mr. Nicholas Carroll,

Resolved, That the thanks of the association be, and are hereby, presented to the Board of Trustees of Clinton Hall Association, for their friendly manifestations towards our association.

D. C. ROBBINS, *Secretary pro. tem.*

At an election held on Wednesday, January 15th, 1840, pursuant to the 20th article of the Constitution, the following gentlemen were elected officers of the Mercantile Library Association, for the ensuing year:

AUGUSTUS E. SILLIMAN, *President.*
HECTOR MORRISON, *Vice President.*
HORATIO N. OTIS, *Secretary.*
W. BRENTON BOGGS, *Treasurer.*

Directors.

CHARLES WELFORD,
HENRY F. FISH,
GEORGE C. BAKER,
T. H. SELBY,
JOHN BUTLER, Jr.,
LOUIS McMULLEN,
ROSWELL E. LOCKWOOD,
EZRA A. DOW.

ART. X.—MERCANTILE LITERATURE.

1. *A Manual of Law, for the use of business men; containing, alphabetically arranged, the legal principles of most frequent application to ordinary business transactions; together with references to the authorities sustaining them.* By AMOS DEAN. Albany: 1838. Gould & Co.

THE title of this small volume clearly indicates its character, which is unlike that of any other known to us. The subjects appear to be well chosen, and the definitions of them concisely given, without the introduction of technical phraseology. The business man, for whose use it was designed, will find it of service in many instances. Like all other manuals, its circulation must be restricted to the particular section of country governed by the laws it seeks to expound, though it will prove a convenient book of reference to any one. As a fair sample of its pages, and of the mode in which the different subjects in them are treated, we extract the whole of the title "Assignment," premising that the principles stated are not of universal application, being fortified only by the authority of the statutes and decisions of New York.

"*Assignment* is the transfer or setting over the interest a man hath in any thing to another.

"Choses in action, like bonds, are not assignable at law.

"So bare rights and possibilities are not assignable.

"Interests in contingency respecting personal estates are assignable in equity, but the assignee is there required to show that he gave a valuable consideration for the thing assigned.

"Although choses in action are not assignable at common law, yet courts of law will protect the assignee against the acts of the assignor, in a suit brought in the name of the latter for the benefit of the former.

"The assignee of a chose in action, as a bond for example, should give immediate notice to the debtor of the assignment. This will entitle him to protection. The debtor has no right after such notice to pay the debt to any one but the assignee.

"A judgment and obligation under seal may be assigned in equity, by a writing not under seal. A mere delivery of a chose in action, for a valuable consideration, is sufficient.

"The assignment of a judgment for debt carries the debt; and if the debt be secured by a mortgage, carries the mortgage interest.

"The assignment of a bond or debt secured by a mortgage, passes the interest in the mortgage.

"The assignee of a mortgage takes it subject to all the equities existing in the hands of the mortgagor.

"An assignee is liable for covenants broken only while he continues assignee, and he may discharge himself of liability for any subsequent breaches, by assigning to another.

"An assignee of a chose in action takes it subject to all liens against the assignor.

"An assignee of a chose in action takes it subject to all equities existing against it at the time of the assignment, though he have no notice of such equity.

"Assignees, to ensure protection, must give notice to the debtor of the assignment.

"An insolvent debtor may be discharged from his debts on procuring a petition to be signed by his creditors in the United States, having against him two thirds in amount of all the debts owing by him to creditors in the United States, and on his making an assignment of all his property.

"An insolvent may also, without procuring any such petition, obtain exemption of his person from imprisonment.

"The doctrine of voluntary assignments for the benefit of creditors is of recent origin, but of very general use in the mercantile world. It is important, therefore, to understand it.

"A debtor finding himself in failing circumstances, and pressed by one or more of his creditors for payment, assigns his property in trust, to be disposed of as in the assignment is directed. What are the benefits of such an assignment, what its essentials, what renders it void, what disabilities does the debtor subject himself to by so doing?

"A valid assignment places the debtor's property beyond the reach of creditors, except as they are provided for in the assignment. It deprives them of no remedy. They may still proceed to judgment and execution. But it destroys the right to appropriate the debtor's property to the payment of their debt.

"A general assignment, to be valid, must assign all the property of the assignor for the payment of his debts. There must be no reservation of any right or interest to himself until after the payment of every debt.

"There is no necessity of inserting any reservation in the assignment. The assignee, on general principles of equity, is bound to account to the assignor for any surplus that may remain after the payment of all debts.

"There is no necessity that the assignment should be accompanied with a schedule of the property assigned, or of the debts for the payment or satisfaction of which it is assigned. Those are matters of evidence, and ascertainable by almost any means.

"Where the debtor is prosecuting a manufacturing or mercantile business, the assignee may be authorized under the assignment to carry on the business, sell the manufactured articles, work up and sell the unmanufactured articles, and dispose of the assigned property, in fulfilment of the trusts created in the assignment.

"The principle is, that whatever is obviously for the benefit of the creditors will be sustained.

"A debtor may prefer one creditor, or set of creditors, to another or others, in his assignment, provided he devote the whole of the property assigned to the payment of his just debts, and that the assignment be absolute and entirely unconditional.

"Sureties liable on existing or even future responsibilities for an assignor, are as much entitled to an indemnity and preference by an assignment, as creditors.

"An assignment containing a provision making a preference to certain creditors in the distribution of the assigned property, to depend upon the execution by them of a release to the debtor of all claims against him, is void.

"Such a provision has been sustained in Pennsylvania, but pronounced void in Connecticut, Ohio, and Maine.

"An assignment void in part, as against the provisions of a statute, is void in toto.

"An assignment cannot be sustained if it be made with the intent to hinder, delay, or defraud creditors.

"Whether a provision in an assignment giving power to the assignees to compound with any or all of the creditors, in such manner and upon such terms as they shall deem proper, avoids the assignment, has not been distinctly decided. It is supposed, however, it would.

"The assignee is bound by acceptance to perform the trusts contained in the assignment, and assumes the responsibility of ordinary trustees.

"An insolvent debtor, by assigning and giving a preference to creditors, precludes himself from taking the benefit of any insolvent law of this state.

"By a recent decision of the chancellor, the assignor cannot continue the possession and disposition of the property assigned without rendering void the assignment."

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2. *Tariff, or Rates of Duties, payable on Goods, Wares, and Merchandise, imported into the United States of America, on and after the first day of January,* 1840, *until the thirtieth day of June,* 1842, *inclusive, in conformity with the compromise act. Also, the Rates of Duties imposed by the Tariff of* 1832; *together with many important Laws, Circulars, and Decisions of the Treasury Department, relating to Commerce and the Revenue, and much useful information to Merchants, Masters of Vessels, and others.* By E. B. OGDEN, Entry Clerk, Custom House, Port of New York. New York: 1840. Bronson & Co. 8vo. pp. 144.

THE copious title of the volume before us, sufficiently expresses the design of the work. It may, however, be inferred, from the facilities and character of the author, that the volume has been carefully compiled, with the view of furnishing to those engaged in navigation and mercantile pursuits, a work that may be relied on for an accurate exhibition of the *rates* and *duties* imposed by congress, now in force, and established by the several decisions of the United States courts and the treasury department. We are assured by the publishers that no pains have been spared in the revision of the proof sheets, to guard against typographical errors, a freedom from which is so essential in a book of this description. The utility of the work strongly commends it to the patronage of all engaged in foreign trade.

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3. *The Boston Almanac for the year* 1840. By S. N. DICKINSON. Boston: Thomas Green. 24mo. pp. 130.

THIS elegant and useful little almanac has reached its fifth annual issue. In addition to the usual astronomical calculations, it contains much useful matter for the merchant and man of business. Our knowledge of the editor, enables us to express our entire confidence in the accuracy of the information embraced in its comprehensive pages.

4. *The American Almanac, and Repository of Useful Knowledge, for the year* 1840. Boston: David H. Williams. New York: Collins, Keese, & Co. 12mo. pp. 334.

The number of this sterling annual for 1839 was the last of the first series of ten volumes. The present number commences a new series. It is proposed to have every ten volumes, for ten successive years, form a distinct series. This arrangement we consider at once judicious and convenient. The past series contains a mass of statistical information, carefully compiled and judiciously arranged, of great interest to all classes of the community, and well calculated to render the work one of value for general reference, on all matters of statistical *data.* We cheerfully commend it to the attention of intelligent merchants, as an almost indispensable requisite to the counting house.

COMMERCIAL STATISTICS.

CANTON CURRENCY.

The circulating medium at Canton is broken Spanish dollars by weight, the proportion of which, to a tael, varies in different transactions; being in *calculations* of prices of *accounts* between foreigners and native merchants, at the rate of................	720	taels per	$1000
But in the *weighing* of money for *payment*......................	717	"	1000
Excepting to the Company's treasury, when it is weighed........	718	"	1000
Or to native merchants, not of the co-hong, who receive, unless otherwise agreed..	715	"	1000
As do also ship and house compradors			

Commercial Weights.

Pecul.	*Catties.*	*Taels.*	*Lbs. Av'pois.*	*Cwt.*	*Kilogrammes.*
1	100	1600	133⅓	1.0,21⅓ or 1.19047	
	1	16	1⅓		0.604,725

One ton = 16 peculs, 80 catties. One cwt. = 84 catties. One pound avoirdupois = ¾ of a catty. Four ounces avoirdupois = 3 taels.

Money Weights.

Tael.	*Mace.*	*Candareen.*	*Cash.*	*Ounce troy*	*Grs. troy.*	*Ind. Tolahs.*
1	10	100	1000	1.208	579.84	3.2213
	1	10	100		57.984	
		1	10		5.7984	

500 taels = 604 ounces troy. 3000 taels = 302 pounds troy.

Usage has established a difference between the tael of commercial weights, which, at the rate of 33⅓ pounds to the pecul, weighs 583⅓ troy grains; and the tael of money weights, of which the old standard is 579.84 troy grains.

STATISTICS OF VAN DIEMAN'S LAND.

We gather the following statistics respecting the trade, commerce, manufactures, etc. of Van Dieman's Land, from an official return drawn up by the colonial secretary to the government, for the years 1836, 7, 8, and published in the Hobart Town Courier, May 31, 1839.

NAVIGATION. — The number of vessels entered inwards, and cleared outwards, in 1835, was — inwards, vessels 229, tonnage 55,833; outwards, vessels 225, tonnage 53,560; whereas, in 1838, they had increased respectively, to — inwards, vessels 370, tonnage 64,451; outwards, vessels 369, tonnage 63,392; being an increase of 61 per cent. on the vessels inwards, and 64 per cent. on those outwards. The increase in the number of vessels and tonnage belonging to the colony has even more than kept pace with the great advancement of our commerce. The vessels have increased 42 per cent. in the three years, the tonnage 90 per cent.; from which it is evident, that more distant trade is now undertaken by our merchants than formerly.

POST OFFICE DEPARTMENT. — The post office system has been considerably extended. In Hobart Town there are now three deliveries in the day by the twopenny post; and the number of letters has increased, during the four years in question, from 9,689 to 16,095.

REVENUE. — The fixed revenue of the colony has increased from £91,320, in 1835, to £98,081, in 1838; although, in the interval, there has been a decrease of £18,000 on the annual revenue from spirit duties. "The reduction of the price of labor, and the improvement in the moral and civilized habits of the lower classes, have induced the use of the more cheap and wholesome beverage of beer, which, of course, must also, have displaced the use of spirits." The number of licenses to publicans and wholesale dealers in spirits has been considerably diminished.

IMPORTS. — The imports for the three years have increased 20 per cent., and the exports for the same period have increased at the astonishing rate of 81 per cent., or from £320,679, in 1835, to £581,475, in 1838. The imports are more than £15 for every individual on the island. This great increase in our trade is, no doubt, in some measure attributable to the establishment of the two new colonies of Southern Australia and Port Phillip, which has given a fresh stimulus to commerce.

EXPORTS. — The exports have likewise greatly increased. Of wool, "the exports have increased from 8,000 bales, in 1835, value £142,921, to nearly 11,000 bales, in 1838, value £171,599. The oil has likewise increased from 2,154 tuns, value £51,398, to 4,801 tuns, value £121,270, or more than double; and the whalebone, from 132 tuns, value £10,698, to 187 tuns, value £15,807."

POPULATION. — The population has increased from 40,283, in 1835, to 45,846, in 1838, or nearly 14 per cent.; and it is satisfactory to see, that, while the male population has increased only about 13 per cent., the number of females has increased nearly 21 per cent., and that of free females more than 25 per cent.

MANUFACTURES. — There has been a progressive increase in almost every branch of trade and manufactures. In 1835, the number of mills driven by water and wind, was forty-seven; it is now fifty-one: and in place of one driven by steam, we have now three. The number of breweries, cooperages, candle manufactories, engineers, sailmakers, and shipwrights, has also greatly increased. Ship-building is likely to prove another source of colonial industry. The number of vessels built in 1835 was five, with a tonnage of 382; while in 1838, ten vessels were built, tonnage 1267; a very great and rapid increase.

MERCANTILE MISCELLANIES.

VIEWS OF BOSTON.

In an address delivered before the Mercantile Library Association of Boston, by the Hon. Edward Everett, (noticed in our first number,) we find the following eloquent remarks; they present a highly interesting panoramic view, if we may be allowed the expression, of the capital of New England:

"To understand the character of the commerce of our own city, we must not look merely at one point, but at the whole circuit of country, of which it is the business centre. We must not contemplate it only at this present moment of time, but we must bring before our imaginations, as in the shifting scenes of a diorama, at least three successive historical and topographical pictures; and truly instructive I think it would be, to see them delineated on canvas. We must survey the first of them in the company of the venerable John Winthrop, the founder of the State. Let us go up with him, on the day of his landing, the seventeenth of June, 1630, to the heights of yonder peninsula, as yet without a name. Landward stretches a dismal forest; seaward a waste of waters, unspotted with a sail, except that of his own ship. At the foot of the hill, you see the cabins of Walford and the Spragues, who, the latter a year before, the former still earlier, had adventured to this spot, untenanted else by any child of civilization. On the other side of the river lies Mr. Blackstone's farm. It comprises three goodly hills, converted by a spring-tide into three wood-crowned islets; and it is mainly valued for a noble spring of fresh water, which gushes from the northern slope of one of these hills, and which furnished, in the course of the summer, the motive for transferring the seat of the infant settlement. This shall be the first picture.

"The second shall be contemplated from the same spot, the heights of Charlestown, on the same day, the eventful seventeenth of June, one hundred and forty-five years later, namely, in the year 1775. A terrific scene of war rages on the top of the hill. Wait for a favorable moment, when the volumes of fiery smoke roll away, and over the masts of that sixty-gun ship, whose batteries are blazing upon the hill, you behold Mr. Blackstone's farm changed to an ill-built town of about two thousand dwelling-houses, mostly of wood, with scarce any public buildings but eight or nine churches, the old State-house, and Faneuil Hall; Roxbury beyond, an insignificant village; a vacant marsh, in all the space now occupied by Cambridgeport and East Cambridge, by Chelsea and East Boston; and beneath your feet the town of Charlestown, consisting in the morning of a line of about three hundred houses, wrapped in a sheet of flames at noon, and reduced at eventide to a heap of ashes.

"But those fires are kindled on the altar of liberty. American independence is established. American commerce smiles on the spot; and now from the top of one of the triple hills of Mr. Blackstone's farm, a stately edifice arises, which seems to invite us as to an observatory. As we look down from this lofty structure, we behold the third picture, a crowded, busy scene. We see beneath us a city containing eighty or ninety thousand inhabitants, and mainly built of brick and granite. Vessels of every description are moored at the wharves. Long lines of commodious and even stately houses cover a space which, within the memory of man, was in a state of nature. Substantial blocks of warehouses and stores have forced their way to the channel. Faneuil Hall itself, the consecrated and unchangeable, has swelled to twice its original dimensions. Athenæums, hospitals, asylums, and infirmaries, adorn the streets. The school-house rears its modest front in every quarter of the city, and sixty or seventy churches attest that the children are content to walk in the good old ways of their fathers. Connected with the city by eight bridges, avenues, or ferries, you behold a range of towns, most of them municipally distinct, but all of them in reality forming with Boston one vast metropolis, animated by one commercial life. Shading off from these, you see that most lovely back ground, a succession of happy settlements, spotted with villas, farm-houses, and cottages, united to Boston by a constant intercourse, sustaining the capital from their fields and gardens, and prosperous in the reflux of the city's wealth. Of the social life included within this circuit, and of all that in times past has adorned and ennobled it, commercial industry has been an active element, and has exalted itself by its intimate association with everything else we hold dear. Within this circuit what memorials strike the eye; what recollections; what institutions; what patriotic treasures and names that cannot die! There lie the canonized precincts of Lexington and Concord; there rise the sacred heights of Dorchester and Charlestown; there is Harvard, the ancient and venerable, foster-child of public and private liberality in every part of the State; to whose existence Charlestown gave the first impulse, to whose growth and usefulness the opulence of Boston has at all times ministered with open hand. Still farther on than the eye can reach, four lines of communication by railroad and steam have within our own day united with the capital, by bands of iron, a still broader circuit of towns and villages. Hark to the voice of life and business which sounds along the lines! While we speak, one of them is shooting onward to the illimitable west, and all are uniting, with the other kindred enterprises, to form one harmonious and prosperous whole, in which town and country, agriculture and manufactures, labor and capital, art and nature — wrought and compacted into one grand system — are constantly gathering and diffusing, concentrating and radiating, the economical, the social, the moral blessings of a liberal and diffusive commerce.

"In mere prosperity and the wealth it diffuses, there is no ground for moral approbation; though I believe in any long period of time, it will be found that those communities only are signally prosperous where virtuous principle is revered as the rule of conduct. It is the chief glory of our commercial community, that the old standard of morals is still kept up; that industry and frugality are still held in honorable repute, that the rage for speculation has not eaten out the vitals of character, and that lucky fraud, though plated stiff with ill-gotten treasure, dare not yet lift up its bold, unblushing face, in the presence of the humblest man, who eats the bread of honest industry."

CLEARING HOUSE, LONDON.

In a large house in Lombard street, about thirty clerks, from the various London bankers, take their station in alphabetical order, at the desks placed round the room, each having a small open box by his side, and the name of the firm to which he belongs in large characters on the wall above his head. From time to time, other clerks from every house enter the room, and passing along, drop into the box the checks due by that firm to the house from which the distributor is sent. The clerk at the table enters the amount of the several checks in a book previously prepared, under the name of the bank to whom they are respectively due.

Four o'clock in the afternoon is the latest hour to which the boxes are open to receive checks, and a few minutes before that time, some signs of increased activity begin to appear in this previous quiet and business-like scene, — numerous clerks then arrive, anxious to distribute, up to the latest possible moment, the checks which may have been paid into the houses of their employers. At four o'clock, all the boxes are removed, and each clerk adds up the amount of checks put into his box, payable by his own to other houses. He also receives another book from his own house, containing the amount of the checks which their distributing clerk has put into the box of every other banker. Having compared these, he writes out the balances due to or from his own house, opposite the name of the other banks, and having verified the statement by a comparison with the similar lists made by the clerks of those houses, he sends to his own bank the general balance, resulting from this sheet, the amount of which, if it is due from that to other houses, is sent back in bank notes.

At 5 o'clock the Inspector takes his seat, when each clerk who has, upon result of all the transactions, a balance to pay to various houses, pays it to the Inspector, who gives a ticket for the amount. The clerks of those houses to whom money is due, then receive the several sums from the Inspector, who takes from them a ticket for the amount. Thus, the whole of these payments are made by a double system of balance, a very small amount of bank notes passing from hand to hand, and scarcely any coin. It is difficult to form a satisfactory estimate of the sums which daily pass through this operation — they fluctuate from £2,000,000 to perhaps £15,000,000 sterling — about £2,500,000 may possibly be considered as something like an average, requiring for its adjustment, perhaps £200,000, in bank notes, £20, specie. By agreement between the different bankers, all checks which have the name of any banker written across them, must pass through the clearing house; consequently, if any such check should be lost, the firm on which it is drawn would refuse to pay at the counter, a circumstance which adds greatly to the convenience of commerce.

ILLEGALITY OF HEAPED MEASURES.

In the Bath police report is a circumstance of a gentleman being summoned for purchasing, and a poor woman for selling goods in the Bath market, contrary to the act of parliament lately passed to regulate weights and measures. It appears, that the gentleman purchased a measure of potatoes, and the woman who sold them piled them up above the rim of the measure about two inches. In this case, our laws would appear to establish a new mode of morality to that established by christianity. Christianity recommends "full measure, pressed down, and running over;" but the English laws, contrary to this precept, say, it shall not be running over, but perfectly level, or what is called a strike measure; or, if this is impossible, less, rather than more. Sound morality, as far as we have understood it, has ever said, as much more than the measure as you like, but nothing under; the measure law of England says, under, if you please, but not an inch above. It appears, that if the surface is in places below the level, the conscientious vender of market produce does not dare to add another potato, because that would make it above the measure, this being the grand terrorem of the English law — you must not exceed the measure. It appeared in evidence, that the inspector summoned the parties, not to obtain fines, but to enforce, if possible, the necessity of selling by weight.

TOBACCO IN MEXICO.

It may not be generally known, that in Mexico tobacco is one of those articles the sale of which is monopolized by the government. This exclusive privilege it usually rents out to a company of speculators, who agree to *advance* a very considerable item of the stipulated amount. In files of papers, transmitted to the editor of the New Orleans Bulletin by a military friend of high standing in the Mexican army, is a copy of the "contract" for the sale of this article for the next five years. The lessees are to pay the government six hundred thousand dollars for the first three years, and seven hundred thousand for the last two. The cultivation of tobacco shall be permitted only in those territories designated by the law of 15th April, 1837. In Yucatan, by an agreement, the cultivation and sale of it shall be free, with liberty to export it abroad, but not to be introduced into any other department of the republic without the consent of the company, and in the quantities designated by them. The duties accruing from the legal introduction of foreign tobacco are to be paid to them, they are to have the national tobacco stores in all the departments of the republic rent-free; and any losses that may be sustained, owing to political commotions, the one half is to be borne by the government.

MORTALITY OF SEAMEN.

It has been computed, that for every sixteen sailors who die of all diseases, eleven die by drowning or in wrecks; that the number of British ships which are lost is about one to twenty-five; that very few short of two thousand perish annually in the mighty deep, chiefly from shipwreck, by which, property to the value of three millions annually is absolutely lost to the nation, and hundreds of widows and thousands of children are thrown on the cold and precarious charity of the public: that the more frequent cause of these shipwrecks is intemperance, and that in the case of those who are saved from such sudden death and a watery grave, the average life of seamen is, from hard service, finished at forty-five.

INLAND SEAS OF SOUTH AUSTRALIA.

Since the establishment of the colony, says the London Monthly Chronicle, a navigable inlet has been found to Lake Alexandrina, a large inland sea situated within the assigned limits of the province; and it has, moreover, been discovered, that the Murray river, the only river of any magnitude which has yet been met with in New Holland, discharges its waters into this lake or inland sea. The prospect of a large extent of inland navigation is thus opened to the colonist; and so important are the advantages anticipated from this discovery, that many of the purchasers of land-orders have declined to select sections in the district of Adelaide, choosing rather to wait until some of the lands on the lake and along the river have been surveyed.

OBITUARY NOTICE.

SAMUEL HENRY, ESQ.

Among the individuals who perished on board the ill-fated Lexington, there was no one more generally beloved and respected than Samuel Henry, Esq., of Manchester, England. Intimately connected as he was, in his mercantile pursuits, with a large class of merchants in this city, this magazine seems a proper medium to express the deep sympathy which his death has occasioned in this community. Though not a native of this country, Mr. Henry had, for many years, been actively engaged in extensive commercial operations with America, and he has left behind him a large circle of friends, who ever welcomed him to our shores with sincere regard and affection.

In his business intercourse with his fellow-men, rigid, uncompromising integrity, marked his character. No one knew better the true requirements of a merchant, or the generosity becoming a man; and throughout his life, he ever maintained the strictest consistency of high mercantile principles, and the most generous liberality. During the commercial distress which affected every class in the country for the past three years, Mr. Henry was here, yielding relief and assistance to those whom misfortune had crushed; and there are many, in this city and elsewhere, who will bear honorable testimony of his open confidence and generous forbearance, when they were most needed and appreciated. Indeed, in all his business transactions, there was a free, honest spirit, a manly, straight-forward course of conduct, which won the esteem and confidence of all with whom he came in contact.

In his private relations, Mr. Henry was no less estimable than in his mercantile position. Simple, open, frank, in his manners, he drew around him a host of friends; and such was his sincerity and courtesy, that we feel he has not left an enemy behind him. At home he was distinguished for his unbounded hospitality, and whenever an American placed his foot on the English shore, Mr. Henry was among the foremost to extend the right hand of welcome, and by his kindness and attention, made him feel that he was not wholly a stranger, though in a foreign land.

We dare not speak of the heart-rending catastrophe which caused Mr. Henry's death, nor of the sorrow and anguish which a knowledge of it will create in those hearts in England, where he was most loved and valued. Cut off in the rich maturity of noble manhood, with a brilliant prospect before him, the heart sickens when it reflects on his mournful end; but it finds a consolation in the feeling, that he lived and died a true, an HONEST MAN. A friend who knew and valued him, pays this inadequate but sincere tribute to his memory. E. L. H.

TO READERS AND CORRESPONDENTS.

In our next number we shall commence the publication of a series of articles on the Poor Debtor and Insolvent Laws of the several States of the Union. Our object is, to present, in as brief and condensed a form as may be consistent with a clear understanding of them, the various provisions of Statute Law appertaining to the modes of securing and enforcing the payment of debts, and the enactments for the relief of poor debtors, together with such kindred matter as may be suggested in the prosecution of our design. We think, if successfully accomplished, it will prove of essential service to our mercantile friends.

We shall begin with the Laws of Maine, being in possession of an article prepared by Francis Brinley, Esq., of this city, Counsellor at Law. Mr. B. has contributed to the value and interest of several of our Law Journals, is a gentleman of highly respectable legal acquirements, and has had an extensive practice at the bar in the courts of Maine.

It is our purpose to secure, in the prosecution of our plan, the best legal talent in the country—the aid of gentlemen of extensive practice, that the information furnished may be relied upon for its correctness and fidelity.

We have on hand a variety of papers, several of which will appear in the March number, or at our earliest convenience. Among them are,

1. The Principles of Credit, by Charles Francis Adams, Esq., of Massachusetts.
2. The Theory of Profits, No. II., by Professor George Tucker, of the University of Virginia.
3. Suggestions on the Law of Auctions, (embracing an auctioneer's right to purchase—the rights of vendor against purchaser at auction—the rights of the purchaser at auction, &c.,) by Francis Brinley, Esq., of New York.
4. Life Insurance. By E. W. Stoughton.
5. The Period of the Risk insured in Marine Policies.
6. A Review of the Hon. John Sargent's Lecture on Commercial Character.
7. The Commercial League of the Hanse Towns, &c.
8. The Harbors of North America, by David Stevenson, of Edinburgh, Scotland.
9. Speculations on Commerce, by W. W. Wheildon, Esq.
10. Biographical Sketch of Hon. James Lloyd, an eminent Merchant, by Alden Bradford, Esq.

Elijah Ward, Esq., late President of the Mercantile Library Association.—We took occasion in the last number of the magazine, to express our regret that Mr. Ward had declined accepting the nomination for re-election to the office of president. It was, however, we understand, with the intention, which he has already carried into effect, of adopting the profession of the Law. His abilities, and courteous deportment, together with an extensive acquaintance with commercial young men, give presage of success in his new sphere.

☞ Persons who wish to become subscribers to this Magazine, are reminded, that Postmasters are allowed, by order of the Postmaster-General, to remit the amount of subscription to periodicals, to any part of the country, under their *frank*.

HUNT'S

MERCHANTS' MAGAZINE.

MARCH, 1840.

ART. I.—THE PRINCIPLES OF CREDIT.

[THE following Lecture was originally prepared for the Mercantile Library Association, but as when finished it appeared too long, and in some portions too abstract, for delivery as a lecture, the author substituted another in its place, reserving it, however, in its original form, for publication in our Magazine.]

IN selecting for the topic of consideration, this evening, the subject of credit, I was not prompted by the belief that I could set forth any very new or startling theory, or make it a medium for the display of brilliant images or effective declamation. My only motive for preferring it, sprung from a conviction that the discussion might be useful. There is no question more generally agitated at this time, than that which relates to the precise use and value of credit, and none wherein the opinions formed are more widely divergent from each other, or more frequently rest upon a very lax foundation. And inasmuch as in our country men generally act at once upon the modes of thinking which they have formed, without waiting very nicely to sift their abstract soundness, it is not impossible that a period may soon arrive, when those which shall prevail upon this subject may have immediate and very seriously injurious effects upon the public welfare, if some attempt is not previously made to keep them from going wrong. Circumstances, which I need not name, have of late made most of us think more about credit than we ever did before; and out of the conflicting views taken of its operations, parties have already made themselves distinctly visible. On the one hand, there are some who, from very narrow and exclusive observations of the evil that follows its abuse, so far overlook its real nature and indispensable utility, as to arrive at the remarkable conclusion, that its use does not benefit society. And, on the other, a different class, whose habits of life have led them to exaggerate its force, have ascribed to it a degree of active power which does not appear to me to exist, and the performance of effects in my judgment far beyond its reach. Between these wide extremes, you will perceive that there must be a great deal of ground. Unhappily, however, it is too much the case, that whenever any subject falls into the hands of men previously inclined to differ with one another, the tendencies are to fly to extremes equally wide from the truth, and even studiously to shun the middle ground where it may usually be found. For that is too plain, and too solid, and too commonplace a situation, to satisfy the minds of combatants more anxious to fight than to be pacified.

Yet it is just so plain, and so solid, and so commonplace a situation, as I have now described, that I am anxious this evening before you to occupy. My desire is only to follow what appears to me truth, no matter how old or unprepossessing she may appear. Yet in doing so I know I must give up the hope of picking up in the path a jewel or two of fancy, that I could throw out to dazzle your imaginations, and I fear I shall not avoid passages of dry disquisition that may tax your patience. It is idle to hold out expectations which must be disappointed: rhetoric can doubtless be made to adorn many branches of knowledge, but you will probably agree with me in opinion that it would make political economy look tawdry; and however happily metaphor may serve to illustrate ideas in other departments, I feel very uncertain of its use when, as in this, the path is not so clear, but that a very slight misconception of similarity may have important results in misleading us into confusion.

It is of credit, then, that I would speak this evening; and to that end I deem it best to begin by stating, as simply as possible, what I mean by the word.

Credit, in political economy, appears to me to be the general belief entertained of men, that their action will correspond to promise. And commercial credit is the same belief applied to the performance of pecuniary contracts.

If I am right in this definition, credit, in commercial nations, is little more than public opinion. The private belief of any one member of society, that the persons with whom he is in the habit of dealing will perform what they promise, coincides in this point with that of every other member to such an extent as to make a basis upon which the action of the whole may rest. But this belief does not spring up of itself in their minds, but is rather the result of experience. Credit cannot therefore be considered a voluntary act of the mind, nor can it be created by an artificial process. You can as little refuse it to one individual who has in all his life performed every engagement made with you, as you can give it to another who has as regularly failed in so doing. It is dependent upon the performance of certain preceding conditions, which no state of circumstances can for any length of time materially change. And in this light it is utterly immaterial who the promiser is that is brought under consideration, whether societies of men or individuals, whether chartered companies, cities, states, nations, or the humblest citizen. They, none of them, possess any peculiar claim to credit, beyond that which may belong in common to them all. They all equally depend for the free enjoyment of it upon the knowledge which their own conduct has contributed to furnish, as well of their ability as of their being trustworthy.

But in order to make this more plain, it may be as well to analyze the parts which go to the establishment of the knowledge here alluded to. Credit cannot be maintained in a commercial community, unless, *First*—There is a positive amount of capital existing in it;

Secondly—There is general fidelity in the performance of engagements;

Thirdly—The co-operation of the sovereign authority may be relied upon.

And, first, of the manner in which credit follows capital, I fancy it will not be necessary for me to take up much time to treat. In every society at all advanced in civilization, where the division of labor and the right to property have once been established, there will be some individuals who will have accumulated a greater share of the excess of their earnings beyond their wants than their neighbors. This excess will in their hands constitute capital. And the knowledge commonly had of their possession of it, and hence of their ability to compensate a given amount of labor whenever they choose to set it in motion, constitutes their credit. But inasmuch as it is wholly impossible for the public opinion to be always accurate in estimating the precise amount of capital which each citizen can command, and there is a natural inclination in the human mind to magnify what is not certain, it is not unusually the case that a greater ability is ascribed than proves actually to exist, and through this means a greater degree of credit arises than the positive amount of capital acquired would seem to justify.

But whatever the sum of capital may be, and the degree of credit which will necessarily attach to it in any community, they can never be made practically beneficial, unless the second of the conditions I have enumerated is fully complied with—general fidelity in the performance of engagements. This is the stimulus to all the active industry of modern society; for it creates the disposition to believe a promise of future labor equivalent to present capital, and hence promotes exchanges between the two. To make men work to the production of commodities or of the fruits of the earth beyond their own immediate wants, there is nothing like the conviction that they will realize the worth of their labor beforehand assured to them. But the certainty of this will necessarily depend in a great measure upon the moral qualities of the population; and the belief in its probability of occurrence will vary with the opinion had of the prevalence of honesty, or its opposite, in the construction of contracts. My desire is, by no means, in what I have now to say, to trench upon the province of the teacher of morals; but no mere scruple of delicacy ought to weigh so far as to deter me from proving the value, even in the narrowest and most economical view of the subject that may be taken, of a strict sense of moral justice to the maintenance of credit. If it is important to a people who trust to this resource as much as we do, to understand its exact nature, it surely is not less important fully to be sensible how inseparably it is intertwined with the code of private life, and how soon it will decline under a lax construction of the term duty. Commercial engagements, doubtless, frequently rest in part for fulfilment upon the sense that it is the best policy, in a worldly point of view, to adhere to them; but as this can work no restraint upon the violation of them one moment after the period when that policy may appear to lie on the opposite side, it is plain that self interest can not be a basis for perfect credit—nor can it take the place of the reliance upon good faith and substantial honesty, which alone will insure the execution of an agreement after it is clearly ascertained to be disadvantageous to the party performing it. This reliance is at the bottom of almost all undertakings. Without it, the fabric of mercantile honor would fall to the ground at once. It lies at the foundation of the punctuality expected in money payments, without which credit would be of little value. Could a state of things be attainable, in which this punctuality would be perfect, and no promise ever fail of performance, it is not too much to say, that the precious metals would be no longer useful as coin, and would remain, like other merchandise, valuable only in settlement of balances. But the imperfection of human calculations puts out of all probability any happy result like this, and leaves us to the exercise of our own sagacity to avoid the evils that flow from it. A mixture of good and bad fortune (as it is commonly called) is incidental to undertakings which have any proportion of uncertainty in result. Yet, inasmuch as in the ordinary course of affairs, the success of prudent men is likely to preponderate over failure, there is a fair field left open upon which credit may be tried. This cannot be the case, the moment dishonesty and fraud are carried so far as to sap the foundations of mutual dependence. There can be no credit where there is no confidence in one another. And if we rise from this as the very lowest point, it will be found to be true as a general proposition, that exactly in the proportion in which sound principles and morals preponderate with a people, in forming their rules of action, over infidelity and fraud, will be the measure in which credit may be turned to profitable use.

The disposition to perform promises, is, then, as essential to the establishment of credit, as the ability. The two combine in every community to create that species of confidence which may be made the basis of action. But it is the first, only, which makes the prosperity of a nation an index of moral qualities of superior excellence. It is advisable to remember the connexion which a good state of credit bears with the performance of duties of a higher character, on many accounts, but most particularly on this, that the enemies of the former may clearly understand the precise nature of the position they are about to assume against the latter. Credit may be most effectually destroyed, if the sense of the people can be demoralized, and they are made regardless of all law, divine or human, but their own will. But it may be as well to reflect a little upon the consequences to social prosperity of adopting any step that may lead to such an end; and also to endeavor to discriminate between the evils to which an abuse of credit may lead, and those which may follow a decline of its use. The mere payment of a merchant's note when due, may not in every case, I admit, be unequivocal evidence of the good character of the signer. But in the long run, it will be found, that the same motives which prompt that payment, will in the great majority of cases extend their influence over general conduct in all the relations of life; and that they trace their origin to the observance of that golden rule of our religion, the doing to others as we would they should do unto us.

But besides the possession of capital, and in addition to the prevalence of fidelity to promise, I have mentioned still another element which is quite as important as either of these to the support of good credit in a community—and that is, the co-operation of the sovereign authority. This is very important, as well because of the force which the example of a government will always have either for good or for evil, as because of the control which it must necessarily exercise over all the means by which contracts can be executed. Allowing the amount of wealth in a country to be great, and the disposition to perform engagements to be ever so strong, there must yet co-exist with them some medium which may be resorted to by all parties as a known standard of value in every case of adjustment of differences—and this medium it is the province of the sovereign power in the state to establish on a permanent and durable foundation. A well settled confidence that no obstacles will be artificially interposed to the fulfilment of promise in the sense in which it is made, and that in case of violation, recourse may be had to means of enforcing justice between man and man, is indispensable to credit. Perhaps there is no lesson which has been more fully taught by the experience of the past, in every part of civilized Europe, than that which shows the fatal effect of errors of rulers upon the public prosperity in this regard. But as it is easier to explain this point by illustration than in any other mode, I propose to cite, from among many, only one or two historical examples of its truth.

The importance of preserving the standard of value uniform, is no where more strikingly shown than in the history of the great Louis of France. Reaching the throne at a peculiarly fortunate moment, when the policy of two successive ministers had brought into some order the previously discordant elements of his government, it would seem as if he had little to do but to cherish the prosperity of his people, just reviving from the horrors of civil broils. Instead of this, however, his pride led him into wars; and these, at the end of forty years, had produced few conquests and many very heavy debts. It was found that the resources of the kingdom had been so heavily drained, that it was not possible to meet the interest that became due. Then occurred the remarkable expedient of tampering with the coin. The marc of silver, a weight equal to about eight of our ounces, which had uniformly before that time been coined into twenty-eight pieces, called livres, was now made by a decree of the king to furnish forty. And a livre being a livre, whether it contained one grain of silver or one hundred, of course all promises made to pay in livres were materially affected in value by the change. The king was thus enabled with every marc of silver to pay forty livres of a debt, in contracting which he had received the same marc for twenty-eight livres, and every private debtor had it in his power to follow his example. Every contract previously made to pay money in livres, was therefore broken to the extent of the difference between twenty-eight and forty, and every creditor was robbed of about three tenths of the silver which was actually due. This is one of those measures which credit cannot very well endure. The sovereign power had sanctioned a deliberate fraud, and his mint was daily busy in issuing to them the evidences of it, stamped with a falsehood on one side, and his own image, to attest to his participation in it, on the other. There was not probably a single industrious citizen of France who did not feel the effect of this measure. Indeed, so soon did it become palpable, that the sovereign endeavored to apply a remedy, which proved in fact even worse than the disease. A new decree brought back the coin to the old standard. But this was a gradual process, establishing eleven different changes before it arrived at the desired point, at the end of two years. In the meantime, however, let us reflect for a moment upon the operation of such a system upon all new contracts as well as old ones. Was there a debtor in France who could tell exactly what he should have to pay, or a creditor who could estimate precisely what he might receive? And, to fill the measure of dishonesty, when these laborious steps of a disordered and fluctuating metallic currency had all been passed, the death of the repenting monarch again changed the system, and brought back a repetition of the original offence. Twenty-eight livres of the standard of one day were made to pay forty livres of the standard of the next. And strange it is to observe among the striking inconsistencies of human action and human reasoning upon it, which the records of life furnish, that the regent Philip of Orleans could at one and the same moment reject with scorn a proposition for a declaration of bankruptcy on the part of the state, and adopt a measure which at a blow deprived all public creditors of nearly a third of what was justly due to them. And writers have been found to laud the magnanimity of a profession which did no man any good, whilst they have passed over with little censure an act which robbed a whole class of citizens of a considerable part of their lawful property.

It is plain from this example, that the possession of capital and the disposition to fulfil promises are not of themselves sufficient to establish credit upon a solid footing, without the co-operation of the sovereign power of the state. To that power only can we look for the regulation of the medium in which money contracts are performed, in such a manner as to insure a ready means of construing their nature, and for the establishment of a mode by which compulsion may be resorted to whenever there is hesitation or neglect of performance. In this view of the subject it is, that mere instability in the administration of affairs has so injurious an effect. In the case which I have presented to your consideration, the vacillation in policy was even more fatal than its positive dishonesty; for this could be remedied by the action of that conservative principle of our nature, which in the future guards against the recurrence of contingencies that experience has proved to be injurious, provided always that any data can be given beforehand upon which calculations may be made. But it is the misfortune of an unstable public policy, to destroy all possibility of arriving at such data. When the character of the currency of a country by which all property is measured is suddenly and arbitrarily and frequently changed, what industrious citizen can ever feel sure even of earning bread by his labor? Let him agree to make a hat, a pair of shoes, a chair, or to furnish any other commodity or product which is the result of industry, and what security can he arrive at, that between the date of his agreement and performance, a new expression of the value of the money of account will not deprive him of the fruits of his industry, and make him even poorer than before? A lender of money can, under such circumstances, have no confidence that he will get back as much as he lent; and a borrower may equally feel liable to repay a great deal more than he received. It is then the natural consequence that both operations stop—that is, in other words, that credit dies. Tampering with the currency is one of those things that uproot all mutual confidence. In the instance already cited, the industry of France sunk under the blow struck by the hand of a more renowned than enlightened monarch, and from that day the predominance of her island rival may be said to have become more and more decided. The statesmen of Great Britain, to whom a similar policy was then, as it has often there and elsewhere been since recommended, were wise enough to listen to the voice of that profound thinker, and not less safe practical guide, because a deep metaphysician, John Locke, and thus to avert from their country the train of calamities which the sister kingdom suffered as a penalty for error.

There is another example of the effect of misgovernment upon credit, which I cannot help quoting, for the striking absurdity of the measure adopted. Every body in our day is acquainted with the general history of Charles XII. of Sweden. But the particular fact is not much known that, when by the exhausting effects of the long wars which he so much delighted in carrying on, his military chest became entirely empty of gold and silver, and no hope remained of squeezing out more from the exhausted resources of his people, he resorted to a somewhat novel experiment in currency to supply his necessity. He caused to be stamped at the mint many small bits of copper, with the words One Daler upon one side, and certain figures drawn from the pagan mythology on the other, and these he proceeded to pay out to his troops at the nominal value expressed on their face. Now a king may no doubt do many things which common men cannot, but none yet heard of have discovered the secret of the philosopher's stone, or transmuted base metal into gold. The whole thing was a cheat of the worst kind, the barefaced nature of which was its only recommendation; for its effects upon the community thus became much more circumscribed than they might have been, had he done what has been so often done elsewhere, infused a little silver into his coin. His act was a fraud, but it at least had none of the meanness of deception. It seriously affected his creditors, but extended its injury to not many else.* I cite it most particularly to remind you, gentlemen, that it is not, after all, the mere fact of a currency being metallic which makes it more safe than paper, and that credit has an important part to play in the stamp even on the most valuable metals.

The great importance of government to the maintenance of credit, is then to be found in the duty which devolves upon it, of giving certain stable means as well for the voluntary as the compulsory performance of contracts. The standard of value to which all may appeal, can be provided in no manner so well as by the sovereign authority, when that authority is properly and judiciously exerted. This done, nothing remains but to secure a fair and equitable dispensation of justice. The first reliance of a creditor is commonly upon the good will of his debtor; the second, upon the law of the land. If, when the first fails him, the second proves effective—if the forms of proceeding are simple and cheap, the judgment upon the merits certain, and the decree easy of execution, then is all done towards the support of credit which government can do, or should be expected to do. But if, on the contrary, the laws are obscure and unintelligible, the courts capricious and unsteady, or their decisions are annulled or evaded by the successful resistance of the community or any part of it, then will there be a plentiful brood of dark suspicions engendered, and confidence will immediately decline. The indispensable thing is uniformity of system, both in the institutions of a country and in the manner in which they are administered. Fluctuations bring on the process of hoarding treasure; great masses of capital cease to be of any value at all, and the productive energy of society, with all its effects upon public improvement, is, to a corresponding extent, paralyzed. Such being the operation of errors in governing to undermine the prosperity of a nation, you can easily form to yourselves an idea, gentlemen, how important it is that correct notions should be extensively prevalent, and how much evil may happen, if, by an indistinct confounding of the abuses to which a high state of credit sometimes leads, with the principles upon which that state of credit itself reposes, hasty measures, intended to remedy the former, may be adopted, which shall have the effect of undermining the latter, and bringing the whole fabric to the ground.

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* The writer has in his possession a series of these copper coins of Charles XII. They are believed to be still common in Sweden.

The daily and hourly influence which the mode of administering public affairs has upon credit, is the consequence of the conviction generally entertained of the effect for good or evil which every act of a ruler has upon the body politic. There is not an event of importance that takes place in any part of the world, that has not some operation upon the good or bad termination of the plans of active merchants in highly commercial countries. Even the chance words of leading statesmen have, sometimes, made great changes in the pecuniary affairs of individuals having no sort of connexion with them. The reason of this is, that they are construed with a direct reference to the probability of performing promises, which we have defined to be the essence of credit. Hence it is, that a duty would seem to fall upon men in high place and authority, to be slow and considerate in the introduction of new projects, however good they may in the abstract appear; and above all, to be wise as well as moderate, in their speech. And a correlative duty lies upon every active citizen liable to be affected, no matter what his condition in life may be, thoughtfully and with care to exercise that part in the direction of the government, which the particular form he lives under may happen to have assigned to him.

But such is the chain that binds together all the duties of life, whether political, moral, social, or economical, that it is difficult to consider one division of them without including all the rest. I may thus have appeared to you to be digressing from my topic, even when I have, in my own opinion, done nothing more than simple justice to it. My object has been to show you what credit is; and in order to do this, I have been obliged not merely to define it, but to go on to show the elements upon which it depends for existence. If my attempt has been at all successful, you will now understand, that capital supplies the means; private fidelity, the will; and the sovereign power, the ways, to the performance of promise; a general conviction of which makes credit, as it exists in commercial communities. The foundation being thus firmly laid, I can with greater confidence proceed to the edifice itself. The peculiar forms in which credit is used in the daily transactions of mercantile life, must now come under our consideration; and, inasmuch as these give occasion to most of the differences of opinion entertained upon the subject, it behooves us to creep with modesty and caution over the disputed ground.

Supposing, for a moment, credit to be well established in a country, by a concurrence of all the elements which I have considered as essential; the next question that comes up is, of what precise advantage is it to the community? The answer to which is, that it stimulates production. It comes in to make available the greatest possible amount of the national resources. It acts as the common friend of capital on the one hand, and industry on the other; the first of which supplies the tools, the second the will and strength to use them; in this manner concentrating the force of both upon the attainment of some valuable end. The proverbial tendency of wealth is to relax exertion—that of poverty, to breed despair. The rich incline to fear—the poor, to rashness. The former, frown upon new schemes, the result of which depend in any measure upon fortune—the latter eagerly embrace them, even when the chances of success are not much in their favor. Between these extremes, there is obviously a great interval, which can only be filled by the agency of some third power like that of credit. She comes to both with a smiling face, and while she inspires the one with the confidence that makes his purse strings fly open, and his money to flow into new channels, she presents to the eager hope of the other party, visions of the future which set into full exercise the wits, and bones, and muscles, and sinews, that constitute all his natural inheritance. United, these parties co-operate to the advancement of the social prosperity; whereas, in a state of separation, they consult neither the general good nor their own. Set before the man of property, whose habits are not those of labor, an object as seductively profitable as you can make it, and if the condition to attainment is the severe application of his physical as well as mental efforts to the overcoming all obstacles, he will rather prefer to bury his money under ground, and stand perfectly still. Present, on the other hand, to the poor laborer the same object, and give him no means to buy wherewith to live whilst he works it out, and you might just as rationally ask him to leap over the Andes. It is hope that presents incentives to exertion—hope, which marshals in order that body of pioneers who take the van in the army of life, and who level the forest and drain the morass, that future thousands may take up their line of march in behalf of the added millions to come after them.

It must be borne in mind, that this interference of credit is, however, made only by appealing equally to the self-interest of both parties in the connexion that it forms. Credit has little to do with the loans made sometimes for mere purposes of immediate consumption. Its operations are carried on upon a presumption that some positive benefit is to accrue, and some addition is about to be made to the resources of mankind. Whatever shape commercial credit may assume, it will always be found to rest upon some basis of value, real or supposed, at present existing, or to be created out of the application of labor. The object of loans is to realize a profit both to the lender and the borrower. And this end is commonly arrived at through the modes of satisfying the wants, whether natural or artificial, which a high state of civilization will always create. No man borrows money to please his creditor merely. The usual motive is to be found in the compensation for his labor and risk which a judicious employment of it may furnish. But that labor is always exercised upon some positive object, which for the time is considered as valuable property, no matter what it may be. Commonly, it is land, or its various products which sustain life, ships, or commodities of general utility. Sometimes it consists of varieties of tulips, India rubber, fine pictures, or mere objects of fancy or taste. It matters not much what the subject matter for industry to work upon may be, so long as it procures some return for the outlay. But the probability of such a return is much less strong in the one class of such cases than in the other. Upon this probability it is peculiarly the province of credit to determine. The good or bad results of all undertakings partake very largely of the character of the individuals who carry them on, of the precise circumstances under which they are executed, and, in short, of a thousand undefinable chances which will inevitably happen even to the most wisely planned. But it is the preponderance of the one or the other fortune which gives to credit its vibration; and the average of success or misfortune in a trading and business community, during any season of length, will furnish some criterion of the force or feebleness of the movement it will make.

Commodities find their way from one portion of the globe to another in the course of trade, to be exchanged for others. But as these cannot be uniformly exchanged upon even terms, balances will arise to be settled in money. One of the most useful methods in which credit is employed, is in the contrivance of bills of exchange, which simplify the payment of these balances. These are generally resorted to as simple modes of exchanging equivalents, without the necessity of complicating individual transactions, or of a constant resort to money. Their value, however, depends entirely upon the credit which is given to them, that is, the confidence had that the promise they contain will be exactly and literally performed. And so general has been the sense, over the world, of the benefits to be derived from their use in commerce, that there are few governments who have not enjoined that performance upon their subjects, by the application of penalties of peculiar severity for every violation.

But inasmuch as this is a branch of the subject upon which there is little diversity of opinion, let me take up no more of your time upon it, but pass on at once to more disputed points. It may be recollected that in a former part of this lecture, I stated it to be a peculiarity attending the possession of capital, that a greater ability to perform promises made upon the strength of it was commonly ascribed to it in a community than usually proves to exist, and hence a greater degree of credit arises than the sum actually possessed would seem to justify.

This, gentlemen, is the origin of banking. Dealers in money soon discovered that their obligations to pay money were received among their neighbors and friends with exactly as much confidence as if they were money; and that these obligations were often retained in the hands of those persons for a considerable time before they were called upon to redeem them. Experience reduced the length of that time to a matter of calculation; and hence it became clear, that a profit might be realized, not only upon the amount of positive capital in possession when lent out upon interest, but also upon a certain amount of credit which could be kept in active circulation upon the mere faith that it could at any moment be converted into capital. If this faith was strong and extensively entertained over large sections of populated country, and the amount of capital was considerable, the profits derived from the use of it would of course be great in proportion; but, in every case, experiment was sufficient to make data upon which cautious managers could safely rest their calculations. This simplest form of bank money would, probably, have been the best and safest for all the community, if none but real capitalists had ever been likely to issue it; for they would, in most cases, be restrained by their fears of loss from carrying their credit beyond a certain and very safe limit. But the misfortune is, that none but very sharp and well-trained vision can readily discern who it is that really possesses capital, from those who only pretend to it; and even that is sometimes at fault, until at least a portion of the damage caused by the mistake has been done, and is beyond remedy. There will always be individuals in every community, who will seek for the profits attending the skilful use of capital and credit, without having either the skill or the capital, and who, therefore, will make up their deficiencies by fraud upon a credulous and confiding public. And the discovery of their dishonesty will have such a reactive operation to withdraw all confidence in any but the most positive and undoubted names, that the inevitable consequence results of a monopoly of credit among those names already famous for the possession of overgrown wealth, and through this monopoly increased opportunities of piling gold upon the already towering mountain of their worldly goods.

These considerations may help us to a decision upon the question that has been much agitated of late years, whether the business of banking, and the advantage drawn from the use of credit, should not be left open to all the members of society, exactly as every other kind of occupation is. The theory must be admitted to weigh strongly upon the affirmative side; but here, as in many other points of political economy, the abstract right, when applied to men all over the globe, marked 1, 2, 3, and so on, like so many cattle, is one thing; and the same right, considered with due regard to all the circumstances which surround men in daily life, is another thing. Our political institutions, for example, rest in a great degree upon the preservation of a general equality of outward condition among our citizens. Now, if an unreserved course could for a time be given to the circulation of all promises resting upon credit, the natural consequence would be a great abuse of it by many. This would, for a moment, occasion extensive public distress. Dear-bought experience would then, perhaps, teach a lesson of such caution as would reject all faith excepting in the very few persons whose large visible property could admit of no doubt of their solvency. But what would this bring about, if not the erection of the colossal and very anti-republican fortunes which we see even now to exist sometimes in the banking houses of the countries of the old world?

The desire to avoid the dangers likely to flow equally from these extremes, probably combined with the poverty of individuals, to originate the peculiar system of joint-stock banking, for which our country is remarkable. On the one hand, the wish to deprive knaves and mere adventurers of the opportunity of imposing upon their neighbors merely specious promises in lieu of money; and, on the other hand, the wish to deprive the few relatively rich of the monopoly which the reputation of their wealth would have given to them in the use of credit, gave rise to the practice of applying to the state legislatures for acts of incorporation. This appears to have been the beginning of the principle of association which has been so extensively carried into practice during the last half century. Under it, the positive advantage has been, that the industrious but poor borrower has been able to procure the use of capital at a reasonable price, without having to thank a rich lender for doing him so great a favor; and what is more important still, the small properties of the country have, in a very safe and legitimate way, come into the enjoyment of a portion of the profits of credit which ordinarily follow only great masses of capital. An accurate survey of the ownership of our joint-stock banks would, if I am not much mistaken, establish the fact, that the shares are in general held in very small sums, and by persons of moderate means. The effect of which has been, to establish moneyed institutions, in which the interest of the capitalist is not strong enough to overbalance that of the active producer; and the natural right of the former to the exclusive use of the advantages inseparable from his wealth, is qualified in its character by extension to a great circle of poorer individuals, who could have expected to avail themselves of it for their own benefit by no other conceivable way.

It must, nevertheless, be freely admitted, that this practice has been attended with one of the worst perversions of the system of credit that can well be conceived of. It has been sometimes carried so far, as to make the right of the capitalist to lend his money entirely secondary and subsidiary to the interest of him who desires to borrow it. It has, moreover, stimulated the organization of a banking system which does not rest as much as it ought upon capital, and hence fails in one of the great essentials of the credit which it seeks to establish. The strange anomaly has more than once presented itself in our annals, of bankers professing to lend when they do nothing but borrow money, and that only through a gross deception practised upon the credulous public. The privilege of credit has thus been made to pass from the hands of the possessors of capital, and to go, by a wholly artificial process, into the hands of those who most want it. Hence, banks have at times ceased to be created even by the aggregation of small sums of capital, and become mere instruments to raise funds out of the confidence of a good-natured community. In this form, they have occasionally been in the nature of screens, behind which daring individuals have played at very deep stakes in the game of fortune—taking the profit if they won, and without any means of making good their deficiencies if they lost. Here is to be found the root of most of the doubt and dissatisfaction so generally entertained at this day of the working of the credit system. I will not pretend to deny the existence of this abuse, nor to cover it from sight. But it does not appear to my judgment out of the reach of correction, without the necessity of resorting to remedies, which, by their natural harshness and ill-considered severity in applying them, might be the means of creating greater distress than does that evil which they propose to cure.

But if we are to expect a correction of it, the first step towards it must, unquestionably, be a modification of the views which are very extensively held by commercial men, of the nature and force of credit. There are not a few honest and well-disposed citizens, both here and in Europe, who, by viewing some facts which are well known in the history of banking rather too one-sidedly, have almost convinced themselves that there is a substantive existence in credit remaining even when separated from capital, and after promises made cease to be performed or even relied upon. The consequence has been a tendency to disregard the safe proportion which credit should always bear to capital, and entirely to overlook the indispensable necessity of literally performing contracts. Even in the most prudent and cautious circles of our oldest cities, opinions are often broached, and action based upon them, the grounds of which ought at least to be thoroughly investigated before men should rest satisfied with their soundness. The practical effects of them appear to me to be made manifest in two ways. The first of these being, that most banks do not pay proper attention to the necessity of keeping the resources they have in their capital sufficiently within their reach to hold up their credit when it is in danger; the second, that in the desire to secure the ultimate value of promises, the necessity of insisting upon their never being violated appears to be underrated.

It has sometimes appeared to me, gentlemen, that the radical error of the banking portion of the credit system in America was to be seen in the mode in which the capital is originally invested; and, moreover, that many of the most favorite modern projects of reform in this regard, although decided improvements upon the old method, are not in any sense to be regarded as correcting it. There is some confusion of ideas more or less prevalent every where between the forms of credit, by means of which the business of the mere money lender is confounded with that of the lender of both money and credit. It is wholly immaterial to the first in what shape he decides to invest his capital, or for what length of time he parts with the control of it, inasmuch as he has no use for it other than to realize the profit which accrues from the lending. But the case is wholly different with the second. The first duty of the bank which emits bills of credit, is to be always provided with the means of instantly redeeming them when presented; hence, it is as important that the capital, which ought to furnish those means, should be frequently returned to it as that it should be profitably employed. Investments for long periods are then dangerous, because there never can be a certainty that credit will remain the same to the end of them. Permanent investments, though less dangerous, must nevertheless limit very much the sphere of credit, as they ought never to be depended upon to redeem obligations to pay on demand. Even the prevailing practice of taking notes which have six months or more to run, does not seem to me consistent with the undeviating support of credit; and if, at the end of the period, there is a reasonable certainty that, instead of a payment, a renewal of the notes must take place for a farther time of equal length, then is it clear that a gross mistake has been committed in selecting the quarter in which such loans should be applied for, and that the banker has been made to do what he cannot safely do, and what is properly the business of the retired capitalist who lends money without lending credit.

It is a law of the first necessity, that those individuals who take advantage of public opinion to wield promises as money, should be required at all times so to arrange their resources, as to furnish money in lieu of them when it is wanted. They ought not in such moments to be driven to the expedients of substituting one kind of credit for another. Yet these are inevitable if they cannot readily command a good proportion of their capital. The fluctuations of public opinion are always full of danger to them if they are not on the watch for them. But there is no way to be ready for them, if the ship will not obey the rudder at the critical moment. The theory of credit is based not merely upon the amount of capital, it will be recollected, but also upon the performance of promise. But this performance should by every law be reciprocal, and benefit the banker, when himself a creditor, exactly as it does the person to whom he is a debtor. Now if he could rely upon this so far, as that by dividing his capital into sixty or ninety parts, and lending each part on a separate day for a given and equal length of time, he could enjoy a reasonable certainty of the daily return of one of those portions throughout the year, he might make the support of his credit a matter of the simplest arithmetical calculation. There is no other method which can at all approach to it in certainty; for it implies a capacity of ready accommodation of the principle to the prospect of the future, as well as a guard against the past. In times of great public danger, the bank of France has been known to shorten the length of discounts down to periods of thirty, twenty, and fifteen days, which, if carried through, would make a failure on its part to redeem its obligations next to impossible. This, and this alone, is the impregnable position of credit. But it must readily be perceived that it is not of that kind of credit which presupposes only the rigid performance of obligations on the one side, and leaves them all at loose ends on the other.

I am fully aware of the probability, that to many of you this doctrine will appear to be a little of the theoretical and impracticable, and calculated to draw within a comparatively very narrow compass the present boundless field of credit. But I have always inclined to the belief, that a principle which is found to be true in the closet may be extensively modified in its application to life, but is rarely reversed. The experience of modern times is teaching us a lesson, which we may neglect or overlook to-day, but which will force itself to our notice to-morrow. The true use of credit will only be learnt from the experience of its abuse; and when it is found that no expedient will avail, and that we must after all come back to the reformation of public opinion, if we desire a safe and proper basis for the mercantile transactions of our community, perhaps there will be many who will then join me in the opinion, that the indispensable elements of credit are the possession of capital, and the literal and rigid performance of all promises, and that there is but a single method by which they may be at all times within our power.

My limits compel me to hurry to the consideration of another much agitated question. I mean the precise benefit which a country receives from the substitution of credit for money in the currency. In order to form an idea of it, we must go back to the fact, that gold and silver will never of themselves flow towards any country, and least of all, to those which have no mines. The sum acquired of these metals must be earned and paid for by hard labor. And when acquired, it is not an object of the first necessity in life, like food, or raiment, or shelter from the storm, all of which must be earned and paid for by the same hard labor which earns and pays for gold and silver. The chief use of these metals, which is, to exchange the articles previously produced by labor, is then but a secondary one in infant communities. Hence in these, where it is so much more important to procure the means of life, the tax to be paid for purchasing a mere medium for exchanging superfluities, is too onerous to be endured. It thus appears to me that there is a perceptible difference in the value of credit as a substitute for coin, when the question is about old, and when it applies to new countries; and this has not, so far as I know, been fully appreciated. For in the former, where earnings have been accumulated far beyond immediate wants, and where industry can be easily diverted from objects of the first necessity, the permanency of value in the precious metals may be well worth the labor spent in procuring them; and the substitution of credit in their place, as money, may be considered advantageous, only in as far as the bullion thus dispensed with may be profitably added to the capital already used in trade. But in new communities, where the first object is production of the articles indispensably necessary to the support of animal life, it becomes distressing to set aside so considerable a portion of labor as the acquisition of gold and silver necessarily requires. Where it may be easy to get bread, it may not be equally easy to get the precious metals. The one may be attained by the sweat of man's brow in the field, hard by; the other can be procured only through commerce with older countries, which may not be willing to part with them in exchange for such articles as they can give. In these cases, there would arise a serious difficulty for the want of some medium by which the exchange of necessary products could be effected, if the wit of man could not sometimes hit upon cheap instruments, which make the absence of the dear ones less severely felt.

If it were possible within the scope of a single lecture, I think it would be easy to illustrate the truth of the preceding observations, by reference to the early history of some of our states when British colonies. There never has been presented to the world so fair an opportunity of watching the mode in which the gold and silver in a country has been acquired, from the first commencement of the social system to its present large amount with us, as that which our records present. But they tell a tale of constant struggle and frequent depression, from the time when Indian corn, tobacco, and beaver skins, were the most approved medium of exchange, down to the present hour. They also teach many a neglected lesson of the dangers of stretching credit too far, which would have been far more lasting upon the memory of people in older countries, who could not enjoy the same means of recovery from its evils.

The reason why credit may be abused in a new country with less effect upon its prosperity than in an old one, is, that the quickening which even a bad medium of exchanging commodities gives to the creation of them, is a positive benefit, which would be lost if there was a difficulty in finding any at all, even supposing it might, when found, prove a better one. The frequent turning of the same capital, where there is not much of it, supplies in a great measure the want, and rapidly increases its amount. For all the earnings of industry, over and above the demand for immediate consumption, in new settlements, take a productive shape, independent of the character of the currency. They do not remain in ready money, or in stocks, or any of the artificial forms in which wealth is dependent upon the stability of the standard by which they are valued. On the contrary, they run into new lands, and implements for making commodities of the first necessity, cattle, and the materials for home manufactures, all of which have in themselves a value in supporting life comparatively out of the reach of injury from a bad currency. It is only after these modes of original investment are in some degree used up, and men begin to look round for new objects upon which to exercise their activity, no longer confined to the satisfaction of merely natural wants, that the common measure of the value of labor becomes a matter of very serious consequence. Then the question rises daily into greater importance, whether the durability of value in the precious metals is not a full compensation for the cost of them, and the hazard attending the overstraining of credit, is not a just reason against too great a reliance upon its force? A mechanic, when poor, will manage to do without many tools which would nevertheless be extremely useful to him if he could spare the cash to purchase them. The fact of his poverty is a sufficient justification for his resort to less effective instruments; but whenever the moment occurs that he can see his way clear to procure better, without starving, it is economy in him to lay out his savings in purchasing them. For he may thenceforward be enabled to increase, to a more than proportionate extent, the productiveness of his labor, as well as to perfect in a higher degree the commodities to which he has been in the habit of applying it.

But after all, the greatest abuses to which credit has been applied in this, and in almost every other country, have grown out of the confusion which has been generally made of the interests of the sovereign power with those of commerce. The violation of private credit has, it is very true, been frequently made the instrument of injury to an industrious community—but against this the individual citizen finds, in the sense of injury received, a sufficient warning ever after. The instances of extensive and permanent ruin from this cause are few, compared with those which have taken their origin from the connexion of political passions with public credit. The government of a country never can be, in the nature of things, a fit originator of all the credit which may be put in the place of coin in the community, for the reason that it ordinarily acts under a set of motives wholly different, and partially at war, with those which regulate the movements of commerce. The administration of public affairs embraces a very wide circle of duties, and is operated upon by almost every event of importance in the world. An act of foreign aggression may in an instant throw it upon the verge of war, or a domestic disturbance may unhinge it from its place, and wholly obstruct its movement. The temptation in such cases is generally very strong to resort to credit for support. But credit is at the very same moment in the greatest danger. It is impossible to dictate to men what they shall think, or to persuade them that performance is most likely to follow promise, when the facts all tend to prove the direct opposite. When a government is most embarrassed is not the best time for resorting to new promises nor for redeeming old ones. Yet it is generally the one when it is itself most inclined to the first measure, whilst it is called upon by the public to adopt the last.

In short, the general proposition may here be laid down at once, that the rule of expediency in regard to political credit, can rarely be made to square with the rule of expediency for commercial credit. The sovereign power in the state is not the right source to look to for much beyond restraints upon the misdoings of individuals; it should never place the weight of its own authority in the scale of those misdoings. I state this broadly, because there has been, of late, a growing inclination among writers upon subjects of this sort, to favor the idea that the issue of paper currency, resting upon credit, is a business properly belonging to the sovereign, and is wholly inconsistent with that of lending by bankers, with which it has heretofore been generally associated. Hence the desire to separate the two departments of credit has arisen, and to leave discounting only to bankers, while the regulation of the currency, by a special board of commissioners to be appointed for the purpose, shall belong to the government. The error at the foundation of this new doctrine appears to me to be closely connected with misconception of the true nature of credit. Can it be, that the belief that performance will follow promise will ever be so strong, when applied to commissioners who have no interest in the result excepting that which a salary may give them, as when it is applied to private citizens, whose stake is their whole fortune and their character in life? Can it be, that an arbitrary species of discretion vested in a few men having no great calamity to dread from the commission of mistakes, and perhaps a thousand considerations to influence their action other than their mere notions of abstract right, would prove a better guide to a sound currency, than the fear of ruin operating upon the minds of citizens whose interests have impelled them to the study of the subject in all its practical bearings, and whose experience has furnished the surest landmarks by which to go? Where the pecuniary negotiations fluctuate, as they notoriously will in every highly commercial state of society, the exact amount of currency necessary from day to day cannot be estimated, even by the wisest and most practised heads. Artificial movements will give rise to a demand to-day, which will to-morrow throw back a large mass as redundant. No movement of the machine of credit can be regular, where the wants of the borrower do not find their full counterpoise in the fears of the lender. The merchants and traders are, after all, the great movers of the currency. They cut out the great channels in which it takes its course, and this under the guidance of no abstract rule of right or arbitrary sum in arithmetic, but simply whilst they are pursuing the path pointed out in their daily business. They are also the only proper customers for banks of discount, who consult their own interest by facilitating with credit the exchanges of value that are making through their agency. The operations are all safe enough, provided only that public opinion remains sufficiently sound to demand the performance of promise as the one indispensable concomitant of action in the premises; and the agency of the government is in no way necessary, excepting in restraint of the imprudence of individuals before, and correction of their error after, violation of their obligations. If the failure to support their credit could be attended with the instantaneous withdrawal of confidence, and the application of decided penalties for misconduct, it seems to me that there would be no need of apprehension for the safety of our banking establishments, or of a surer guage of the proper amount of currency for any community, than that made by the caution of those who would issue it. But let the supplying of a circulating medium once fall into the hands of salaried government commissioners, or be in any degree connected with the fancies of political rulers, or depend upon the ebb and flow of the national revenue, and it is believed that no security can be entertained against the daily perpetration of abuse, or that the whole credit system would not experience a perpetually varying, irregular, zigzag movement, at war with the calculations of the shrewdest merchant, and subversive of his best founded expectations.

Nor yet has it appeared to my judgment, that many of the modes most commonly resorted to at this day to guard against losses by credit, are in themselves deserving of unmixed approbation. In the desire to procure ultimate security, the importance of the immediate obligation is overlooked. A kind of artificial credit is thus created for a promise after it has been violated; and the most effective check upon the imprudence of the issuer, in the danger of destroying his character for punctuality, is in a great measure removed. The moral sense of the community, upon which credit very materially depends, is thus rather blunted than sharpened by this system, and the public are to be made to rest contented, if they are not in the end losers, no matter how far they may have just right for immediate redress. The attempt to bolster up credit in this way, has always seemed to me like beginning work at the wrong end. The indispensable attribute of money is the capacity to command labor or commodities at will; so long as credit will do this as well as gold or silver, there is no substantial difference between the two. But credit will not do this as well as those metals, from the moment there is a shadow of doubt thrown upon its ability; and whenever such doubt arises, the true method of remedy would seem to be entirely to remove the cause of it, instead of proceeding to confirm its justice. A promise to pay five dollars on demand will never be considered as equal to five dollars, if that promise is not redeemed when it is challenged. The moment it is ascertained that it is not redeemed, the whole of the credit attached to it is altered in its character. From being equal to money, it becomes an article of merchandise, depending for its value upon the opinion that every individual will entertain of the probability of its redemption at some future time. Now this is not the kind of currency which credit seeks to establish, but on the contrary is exactly of that species which it should as soon as possible drive out of all the channels of circulation. And in this it should be the duty of the sovereign power to co-operate with the action of public opinion.

But in disapproving the prevailing inclination to give so much artificial support to credit, by requiring of those who use it extraordinary conditions, in exchange for extraordinary privileges, it may very naturally occur to many of you to consider me as over captious. Perhaps you might wish to know what my own ideas were of the proper system to be adopted. I will cheerfully submit them, not however without some diffidence, and regarding them rather as suggestions for general consideration than very matured thoughts. Proceeding from the definition I have made of credit, as the belief that action will in a community correspond to promise, I would begin by removing all the barriers which have been raised against the natural and healthy action of that belief. By these barriers, I more particularly intend to allude to the various statutory provisions to be found in almost every part of our country, by which, on the one hand, irresponsible bodies can be created with certain peculiar privileges, which obtain a degree of credit the managers could never secure, so long as they acted only for themselves; or, on the other, responsible individuals are sheltered from responsibility, beyond a certain and definite amount of their property. I see no obstacle in the way of throwing open the whole business of credit to be done just like any other business, upon the character of the conductors. But cotemporaneously with this, I should deem it absolutely essential to the safety of the community, that the sovereign authority should at once interfere, to stop operations, whenever promise proved to be broken. The action should be so prompt, and the duty so imperative, that no possibility of combination to resist it could for an instant be entertained. It would then devolve upon those who did not desire to forfeit their credit, to impose the necessary check upon the careless or the dishonest, and in fact, to protect the community, when in the act of protecting themselves. I am sufficiently aware, that this is not the most common method of regarding the subject, though it is not altogether unheard of; but, although startling at first, I apprehend its simplicity, and its solid basis in general principles, will contribute to recommend it more and more upon reflection. The only serious objection that has occurred to me has been, that it would ultimately put the control of credit into few hands, and thus lead to monopolies; but as this might be counteracted by the admission of the principle of association or partnership to any extent, I do not know that much danger need be apprehended from that quarter. The condition of the penal action of the government is, however, entirely indispensable to its success or even to its safety.

But farther than to adopt some effective system of restraint of injuries committed or meditated against the public, I would not have the government to go; least of all would I expose the currency to the agitations for which the political histories of most modern and especially free nations are so noted. Neither are merely temporary fluctuations all that we have to fear from them. I need hardly remind you, at this time, of the fate of our continental paper money of the revolution, uttered under a plea of stern necessity; but the grievous injustice of which, to all those who in the field, and at the cost of toil and blood, achieved the independence of their country, has been but feebly compensated by the tardy establishment of pensions to the few survivors. Nor yet have I space left to discuss the criminal use made of assignats in France, based upon the foulest perversion of all the most sacred laws of property, and implying, in their very redemption proposed but never performed, the acts of rapine and murder by which they were introduced. These two examples, so different in their origin and purpose, are yet marked by the same distinguishing characteristics in regard to the commercial interests of the respective countries in which they originated—that of wholly overlooking their existence. Created from the impulse of political expediency, and without reference to the laws which regulate the circulating medium, they retained a value so long as they accidentally coincided with them, and lost it when the fact of their worthlessness became perfectly well established. These may be at once admitted to be extreme cases; yet as such, they very clearly explain the precise nature of the difficulty which arises, whenever the credit of the government is the entire basis of dependence. The impropriety of making that power the guide of the credit system, which, in times of difficulty and danger, is always under the strongest temptation to mislead it and use it improvidently, must then be obvious; for those times happen when the ordinary channels of revenue become choked up, and when declining commerce needs no increase of currency, and drooping credit is least able to sustain it. The superstructure is thus made to tower higher and higher in the air, at the very moment when the foundation is crumbling beneath its weight.

But if these cases of pure paper money are thought to be too strong, let us cite, as more to our purpose, that of the Bank of England, upon the occasion of her suspension of specie payments in 1797. I am the more ready to discuss this, as, in my belief, it has been productive of false reasoning and confusion of principles, even down to this day, beyond any other single event in the history of finance. Had the Bank of England been strictly a commercial institution, having no object in view but to keep her credit and the currency of Great Britain upon a sound footing, there can be no question that her act of suspending payments, or, in other words, violating her faith, is not to be justified by any solid method of reasoning; but the fact was, that she had no real independent existence apart from the will of the government. Political events made it expedient for that government to avoid the pressure upon it which would have unavoidably followed the pressure upon the bank for performance of its promises, and, moreover, to provide additional resources for itself in an artificially created system of credit, for the execution of enormous projects of expenditure abroad for the purpose of regulating the political balance of power in Europe. The scheme was therefore a political, and not a financial, one, and grew out of the disposition of the government to stretch its credit beyond the point where it is safe to the commercial interests of the public. The experiment was made upon a great scale and for a long period, in the course of which a wholly artificial state of property became established. The belief in the performance of promise by the bank declined so much, that a paper bill retained only about three quarters of the value it professed to promise, and the government was driven to the offer of terms most disadvantageous to itself, in order to raise the supplies which it absolutely needed. Yet because it did not become bankrupt, because it was enabled to stop in this downward career before it was too late, and because, at an immense sacrifice in all the relations of property between debtor and creditor, a return was actually effected to the redemption of all promises without a positive convulsion, the idea has been very generally entertained, that it is possible to make credit survive the destruction of its principal elements. It does, to be sure, take some time to destroy the credit of a national system of government so firmly fixed as that of Great Britain; but if I might be allowed to express an opinion, I should say, no more effective method of doing it could be adopted than the policy now under consideration, and that it is too early to pronounce unequivocally upon the full effect it may yet have, while the national debt remains at its present amount. For upon the stability of that depends the stability of the bank, and with it the stability of the entire system of currency, based upon credit, which that bank supplies to the community. Of course, then, if this is true, the politics, and not the trade of the country, form the basis of its currency, and the third element of credit, as I have described it, that is, the sovereign authority, is made to be the principal rather than the secondary reliance; a reliance which, I must repeat, I cannot, for my own part, regard as well founded, because it is open to the assault of every political storm.

And even in the memorable case of John Law, it may be said in his behalf, that the necessity under which he was to consult the interests of a profligate and bankrupt regency, brought on quite as many of the calamities which France endured through his agency as his peculiar theory of finance and credit. The main inducement with the government to take him up at all was, the wretched condition of the national finances, brought on by a complicated series of extravagant and infatuated measures, which he promised to cure. Just as diseased persons will fly to empirical treatment when dissatisfied with the slow and limited relief which true art can give them, did Philip of Orleans fly to the system of Law; and, as with them, when his caprice or impatience prompted to a change or qualification of the treatment, no obstacle, however at war with the general system, was allowed to stand in the way of indulgence.

It was, to be sure, a somewhat novel idea, to expect that credit should pay the debt of France after government had done its utmost to destroy it. The changes in the coins had made the issues of the mint synonymous with bad faith; and an arbitrary reduction of the public debt, by the decree of a commission appointed by the debtor, had not contributed to fortify the hopes of any immediate payment of principal, or the arrears of interest due. It was to remedy the state of things consequent upon such a policy, that Law was allowed to make his experiments. Had his sole object been to relieve the people of France from the effect of a wretched currency, he might, and probably would, have effected it; but when there became joined with this the payment of the king's debts, in order that he might borrow more, the latter purpose only counteracted the former. Credit was to be restored only that it might be farther abused, and the interests of commerce and of industry were made subservient to the end of procuring farther supplies for the exhausted coffers of a greedy and voluptuous court.

Yet it is not less remarkable than true, that the first movements made by Law were highly beneficial in their effect upon the nation. The reason why they were so, was, that they were made upon sound principles, and therefore revived credit. Such had been the disorder introduced into the metallic currency by reason of the vacillating policy of the last days of Louis XIV., that the people of France, as with a single movement, rushed from the doubt and distress created by hard money, to the uniformity of that which Law proposed to substitute in paper. And a greatly advantageous change it actually proved, so long as the principle upon which it rested was adhered to. But the cupidity of the regent interfered to make this period very short. The bank originated by Law engaged to pay its promises at any time in coin at the value at which it was current when they were issued; hence these promises were as much more valuable than coin, as a certain and definite amount of money will always be over a doubtful and fluctuating one. The government could not fix a new value to the livre which the bank had agreed to consider as of the old standard, although it could easily do so to the piece of money which it might choose to call in future by that name; hence, a bank bill was likely to return a specific sum at any time, when a coin was liable daily to depreciate. The consequence was, that the credit of the bank became better than the credit of the government, and the extraordinary spectacle was presented to the world, of a paper currency resting upon opinion, esteemed by a great nation as positively and deservedly more entitled to confidence than one supported by the positive value of the precious metals.

Cotemporaneously with this improvement in the character of the circulating medium, a new company was organized, the capital of which was paid in by subscription of a portion of the public debt. Upon this portion the payment of some arrears of interest due was procured from the regent by Law, and the event was hailed by all the public creditors as the opening of a new era in the financial history of France. The news came like breath to the drowning; it inspired hopes which went a great way to remedy the very evils under which they most suffered, and which might probably have extricated the country from its unfortunate position, if the object had been only to benefit France, and not to play into the hands of those who managed its public affairs.

It may here be noted, that up to this moment the peculiar theory of Law had not been in any degree practised upon; and yet the great majority of the French people had probably ascribed to it and its effects, the sudden and striking improvement which was perceptible every where, in the condition of trade; and this will serve to show upon what slight foundations a great reputation in financiering may be sometimes made to rest. The two measures already described, namely, the issue of notes representing a definite value, and the payment of interest upon a small part of the public debt, were in themselves not remarkable in conception, nor out of the reach of any man of ordinary practical sense. They were merely in correction of enormous evils that were afflicting the community, and by no means productive of positive benefit; and yet such was the consequence of their adoption in the revival of credit, that, had death or any accidental obstacle occurred to stop the farther career of Law, his name might have come down to us as among the most deserving of record on the rolls of fame, and his system could ever afterwards have been quoted and looked up to by the many as the ne plus ultra of financial wisdom. He had, in fact, worked a wonderful change with very small means. He had given a very powerful impulse to public opinion, even before he had put his hand to the working out of his experiment; and as it ever has been the nature of sanguine projectors not to wait to analyze effects, it is not unfair to suppose that he himself partook of the general delusion, and was therefore inspired with a more unhesitating confidence to dash into the execution of his schemes, even though injuriously modified by the regent, and destined to be productive in this shape even of greater disaster than could have been expected naturally to belong to them.

But though Law was thus induced to overlook the evil influence which the regent was exerting over his plan, others, who look upon the history long afterwards with the single view of drawing instruction from it, should be careful to assign to each party the share of responsibility which properly belongs to them. It was the regent of Orleans who took the bank into his own hands, when he found how prosperously it was going on under Law; and it was he who, under pretence of making money fixed, altered the tenor of its promise in such manner as to make it redeemable only in current coin. This was bringing back the very evil which the former policy had avoided. It was making the bank paper no better than the issues of the treacherous mint; and it was doing this only as a preparative to a stupendous stockjobbing operation which the regent was to conduct, and Law to advise, for the benefit of the government, at the expense of the nation.

It is needless, even if it was practicable within these narrow limits, to go into any detailed explanation of the events which followed. Their general character may be gathered from the single fact, that the principal result was a joint-stock company, in which the regent of France was a main subscriber, and the object of which was, by the engrossing of all possible privileges and monopolies in the power of government to confer, to create for it a sufficient degree of credit to enable it to advance an immense sum at very low interest. The operation was carried on by means of a great issue of paper money, with which the shares were paid for by the regent as well as others, and the return of this same paper furnished the sum which had been agreed to be advanced to government. Things went on swimmingly for a short time, but presently the necessity of redeeming these promises became urgent in order to support their credit. The regent had hoped to effect this by exchanging his shares, which he had subscribed at about 500 livres a piece, for $10,000, the price to which they had been forced up; but in this he was destined to be disappointed. A rush took place from all quarters to realize, which prevented his converting them, and thus left him with no other means of absorbing the paper he had so rashly issued. The great speculation failed, and twenty-two hundred millions of livres, in bank notes, were to be faced, without any thing to give for them but Mississippi company stock, of which there were already in the market many sellers but no buyers.

The expedient actually adopted under these circumstances is too remarkable not to merit full notice in any thing purporting to treat of the phenomena of credit. A decree was issued, reducing at one blow the value of all the promissory notes issued by the bank to one half of the amount expressed on their face. Now, I pray you, gentlemen, particularly to observe the consequence of this measure. Instead of falling from twenty-two hundred millions of livres, the original sum issued, down to eleven hundred millions of livres, the value proposed to be assigned, the whole paper currency of France sunk down to nothing in a moment. A man might have carried a load of it on his back the next day, and it would not have bought him a breakfast. The reason of this was, that credit is not, polypus-like, to be cut in halves, and either half survive the operation. The same kind of trick had been played in coin often enough; and in so far as any precious metal was left in its composition, the same result had been prevented—but in paper it would not answer in the least. Its whole value depended upon public opinion, which had no other basis than the probability of its being in some way or other absorbed by the government. When, therefore, the fact was distinctly presented before the community, that this probability had failed, and the government was seeking relief in breach of faith, there was no greater reason for depending upon one valuation of that breach than upon another. The entire edifice of credit was prostrate in France, and the pecuniary affairs of that country remained to be organized, just as much as if it had been a new one; subject, however, to drawbacks from the operation of human passions, which at a much later period, and among a new generation of actors, caused the final settlement of the account to be written out in blood.

But why need I quote one instance and another, of the abuses to which credit has been exposed in the hands of the sovereign power of the state, when history furnishes them at every turn? Indeed, it may be affirmed, that there is no record of any issue of paper currency, made by any known government, which has not been perverted from the true purpose, of promoting the exchanges of value among members of the same community, to the more narrow and unsafe one, of helping the necessities of those who for the time manage the public affairs. They surely, then, cannot be constituted a safe depository for any such power. Credit may safely be left in the hands of those who are most interested to preserve it—the capitalists of the country; and its extent may be regulated by the demands of a natural and productive industry directed to useful ends. The law of demand and supply may be left to take care of the whole matter, with perfect confidence of a happy result, provided, always, that sound public opinion, and an energetic and uniform system of restraint upon fraud, shall always co-operate to keep private enterprise from running into hurtful and extravagant excess.

Yet let it not be supposed, that this or any other method of using credit that may be devised, can have the effect of preventing the fluctuations which frequently take place in the transactions of commerce. It is too much the tendency of the present age, to consider credit as wholly responsible for effects, the origin of which is really to be seen in trade. The very law of supply and demand, which has been already alluded to, is one which can never be arranged according to any known scale, for the reason that it is impossible to foresee the direction which human wants and passions in civilized life will next take. There will, therefore, be frequent fluctuations, which may defy the sagacity of the wisest merchant; and although to the calm observer these may appear always to work themselves out in the long run, within very clear and definite limits, and to subside into a tolerably regular channel, yet this process may, to the industrious merchant, be not unfrequently attended by extremely trying and critical conjunctures. The course of trade does not run much more smooth than that which the poet has singled out to make into a proverb. And whether credit is employed in it to a greater extent, or whether it is not, every commercial community must calculate upon it as a fact of the highest probability, that some periods will be periods of particular success, and others, again, will make themselves remembered as signally disastrous. To quarrel with credit upon this account, would be about as reasonable as to impeach the Deity because we are not consulted in the disposition of good and evil.

What, then, is the general practical inference which I would draw from the whole doctrine I have endeavored to explain this evening? Is it not, that credit being no thing of involuntary origin in a state, but rather a consequence of certain preceding causes, which must coincide to give it a true and proper efficiency, the true object for our exertion is to regulate our action to those causes, rather than to be spending time in counteracting effects. There is doubtless a tendency to some abuses in the present day, which it is the duty of a prudent community to check if not prevent. But after all, the only true preventive will be found by going to the fundamental principles. There can be no security against error, where there is no effort made to distinguish it from truth. There must be clear notions formed of the difference between capital and credit, as well as of the dependence in which the latter stands upon the former. There must above all be a rigid attachment to the dictates of the moral sense, and a uniformity with it in the co-operating restrictive policy of the sovereign authority. These, and these alone, will answer as a perfect protection from the attacks of avarice and sensuality. You may pile statute upon statute on your legislative tables, you may put a bar here and a padlock there, but your house will never be the stronger against any combination of cunning and fraud, without you take pains to force the mask from the face of the hypocrite. In that public opinion is the greatest safeguard, which will not overlook or pardon dishonesty—which will break up at once the haunt of the gambling speculator—and above all, and most of all, which will suffer no violation of promise to the honest and innocent of the community to be repeated, without effective interference and permanent prevention.

When I look round, gentlemen, and observe the relative situation of the great countries of the world—when I consider that the credit which some enjoy and make use of is an unfailing index of their prosperity, while the adversity of others appears to go hand in hand with its disuse,—it is with not less amazement than regret that I see a disposition manifesting itself among us to preach up a crusade against it. It is most especially on this account that I would earnestly recommend it to you who live in this great city, promising as it does to be the commercial centre of our northern continent, ever to bear in mind the indispensable requisites for its natural support. In adherence to them as landmarks, credit may ever be relied upon as a safe and efficient adjunct to all great enterprises; by neglect of them, a resort to it as an instrument of power must at best be playing a game of chance. The strict adherence to truth, the unfailing redemption of promises, the untiring exercise of human energy, are what form the groundwork of all the valuable success of mercantile life. And when these are once joined with a portion of capital, however small, credit will come in to extend the field of operation and facilitate the gathering in of the harvest. But a little more than two centuries since, and a few patient and plodding Hollanders were to be found on this spot, who could send home only four thousand beaver skins as the evidence of their surplus industry; and now, your daily operations in your magnificent Exchange set in motion huge masses of wealth over every part of the habitable globe. This change, extraordinary as it is, cannot have resulted from the slow process of accumulating the savings of labor. Credit has come in to facilitate and advance the work, and this the most obviously during the last half century, in which she has had the freest play. She has concentrated the powers of all the producing classes upon the discovery and pursuit of the boldest paths, as well of maritime as domestic adventure. She has stepped in to inspire the navigator with confidence in spreading every sail over the ocean of fortune. And when I perceive on every side the palpable results which have followed—when I think of the almost magical transformation of this petty island into a rich and multitudinous city—when I reflect that the sum of the heaviest losses yet endured is nothing to the gains which stand piled up in your streets,—it is with no small astonishment that I hear the commercial system under which all this has taken place pronounced even here to be irredeemably vicious. Such doctrine as this strikes at the root of improvement, and demands revolution. It seeks for perfection, and goes backward in the search. There are great spots in the magnificent orb of day, but its heat is not the less a genial, vivifying, creative influence upon our earth. There are evils attending the use of all the great agents in nature, but these do not prevent man from controlling them to great and beneficial purposes of human progress. The great secret, after all, gentlemen, is in the mind. And most happy will that community become, which most steadily unites with its industry, content. Within a few years last past, you have been visited with not a few trials of your fortitude; and it is among the most encouraging circumstances that surround us, that you have passed through them with so little shrinking. It rests with you to persevere only in the same policy, to remember that credit is a moral property as well as an economical instrument, and to go on unswervingly in the support of it through evil report and good report, here and elsewhere, and the unfailing consequence will be, that to you will the honor be due of saving the name of America from becoming synonymous with faithlessness all over the world; and to your moral courage under temptation, will this city be indebted for the proudest pedestal of its future fortunes.

> Now like a maiden queen she will behold,
>   From her high turrets, hourly suitors come—
> The East with incense, and the West with gold,
>   Will stand like suppliants to receive her doom.

Art. II.—THEORY OF PROFITS.—No. II.

Having seen that Mr. Ricardo and his followers have erred in their analysis of rent, and that, by mistaking a common accompaniment for one of its elements, they have needlessly embarrassed a subject which admits of an explanation as simple as it is just, let us now see how they have connected it with the theory of profits.

Their reasoning on this part of the subject is briefly this: The price of raw produce consists of that portion of the labor and capital expended on the soil which pays no rent. This portion, commonly that which is last expended, is therefore divided between the wages of labor and the profits of capital, and determines the rate of each. Now, as in the progress of society it is necessary to resort to soils of less and less fertility, and as the returns made to equal portions of capital applied to the same soil must also gradually diminish, it follows, that the fund which is thus divided between wages and profits, must, in like manner, experience a gradual decrease when estimated in the quantity of raw produce. But as the laborer must receive as much raw produce as is "sufficient to subsist, and perpetuate his race," when this, the natural price of his labor, is deducted from a constantly decreasing fund, the necessary consequence is, that his proportional part of that fund is continually increasing, and that the residue, which constitutes the profits of capital, is continually diminishing. In this way, the gradual fall of profits, as exhibited in the market rate of interest, which had taken place in England and some other parts of Europe, was accounted for, contrary to the explanation of Adam Smith, who referred it to the increasing competition of capitalists, in consequence of the growing accumulation of wealth.

There is more than one error involved in the preceding rationale of profit. In the first place, it assumes that the laborer must always receive the same amount of raw produce; but this supposition is contradicted by the past history of society. We know that it greatly varies in different countries; that it is in general more than twice as much in the

United States as it is in England, twice as much in that country as in Ireland, and more than four times as much as in India. We know, too, that it has greatly varied in the same country; that the daily wages of ordinary labor in England, for example, which are now but about a peck of wheat a day, have once been as much as two pecks. We know that in the progress of society the real wages of the laborer, that is, the value of the raw produce received by him, has generally diminished with the increase of numbers, and that he is able to accommodate himself to the reduction by resorting to a cheaper food—as by the substitution of bread for meat, and of potatoes for bread. It is, indeed, by reason of these substitutions, that landlords are able to command more and more labor for the same amount of raw produce; and thus they constitute, as we have seen, a main source of rent.

Secondly: But if the wages and consumption of the laborer were an invariable quantity, it would not follow that profits would necessarily continue to fall. That inference assumes that capital has no other means of profitable employment than in agriculture; in which case, the gradual decline of profits would be merely the affirmance of the simple arithmetical proposition, that if the same number be subtracted from a decreasing series of numbers, the residues will also decrease. Nay, farther, profits must gradually decline if the laborer bore only his proportion of loss arising from the diminution of the common fund, instead of receiving, as has been supposed, the same actual amount of wages.

But the assumption that is thus made is altogether unwarranted. Every branch of industry furnishes a field for the profitable employment of capital, and the profits afforded by any one branch cannot be permanently more or less than those afforded by the other branches. Each one, then, which would avail itself of the beneficial aid of capital, whether it be the farmer, the manufacturer, or the merchant, must pay the market price of such capital, that is, the current rate of profits.

That current rate, we shall find, does not depend on the rise or fall of wages or rent, as the Ricardo school have assumed, but is governed by its own separate laws; and though it tends, like wages, to fall with the progress of society, yet this tendency may be, and actually is, sometimes counteracted, so as to continue high when wages have reached the lowest point of depression, as is the case in India, China, and a few other countries.

To establish the preceding positions, it will be necessary to consider the nature and functions of capital.

The origin of capital is to be found in man's moral nature. If the wants of that nature impel him to efforts of industry, the same wants make him put by a part of his earnings for future use. He wishes to possess the means of subsequent as well as of present enjoyment, and to make provision for those whose happiness is dear to him as well as for his own. His foresight and his affections thus make him frugal as well as industrious, and all the products which he has stored away, no matter in what materials they consist, or from what sources derived, are called capital.

But how is capital a source of profit to its owner? The answer to this question may also be found by a reference to man's moral nature.

Those who have stored away useful commodities, or, in other words, have accumulated capital, cannot be expected to let others have the gratuitous use of it. It may never be returned, and the owner might reasonably require something to compensate him for this risk. But profit is something more than indemnity against loss, and we may find foundations for this profit both in the common motives of human action, and in the creative powers of capital itself.

I. We have seen that fertile land, after it has, in the progress of society, become relatively scarce, yields an annual rent to the proprietor for its temporary use. Now it would often happen in the diversified concerns of human life, that the proprietor would gladly exchange his land, which was thus a source of perpetual profit, for the gross sum it would yield in a limited number of years, and that other persons would be found who would as gladly pay the money and take the land. In other words, land, like commodities that yield no rent, has its market price, which is but a part of the indefinite amount it is expected to yield. Now whatever was the price of the land, the money paid for it being an equivalent for that which yielded a clear annual profit, would, by the act of purchase, become invested with the like faculty of yielding an annual profit.

In this capacity of money to purchase land, we see a just foundation for interest, over and above a compensation for the risk of loss; and the rate of that interest evidently depends upon the proportion between the price of the land and its clear annual rent. Thus, suppose the rent to be $100, and the price $1,000, then, money, like land, yields an annual profit of 10 per cent. This is what is called selling land at ten years' purchase. So, if the price of the land was $2,000, then the annual profit or interest would be 5 per cent., and the land would have been sold at twenty years' purchase.

So long, then, as the desires and occasions of men induce them to prefer a large sum in hand to a small sum indefinitely repeated every year, or, rather, a smaller sum in hand to a larger sum for which he must wait, land will have its price, and those who are able to pay it have the ready means of obtaining for it an annual profit.

But supposing that by the laws or usages of a country land could not be transferred, or that it was the property of the sovereign, as is generally the case throughout Asia, capital would not, on that account, the less yield a clear profit to its owners for its temporary use.

In every community, after society has so advanced that capital has been accumulated, it would be very unequally distributed and variously invested. Some would be rich, and some poor; some rich in one species of property or commodities, and some in another. Now it would often happen, that one individual would want the temporary use of some machine, or tool, or other convenience, which another possessed, as of a house, a boat, or wagon, and which convenience he had not the means of procuring, or which, though he had, would not be worth to him the cost of procuring. He then would be willing to pay for such temporary use. If the owner did not receive more than a fair proportion of the cost, he would not be induced to permit the temporary use; and if he did receive more, the excess would be profit or interest. Those, on the other hand, who did not possess these conveniences, would be willing to pay this excess, as the easiest, and perhaps the only, means of obtaining them.

It may, therefore, be inferred, that capital vested in perishable articles, and the products of human labor, would yield a neat profit to its owner no less than when it was vested in land. In truth, the two cases differ more in appearance than reality as to the circumstances and motives which occasion them. In both cases, a smaller amount of present enjoyment is deemed equivalent to a larger amount that is postponed—the value of any commodity, like its magnitude, decreasing in men's eyes according to the distance. The only difference between the two cases is, that the owner of capital, in the purchase of land, has a security for the annual profit which he has not in the hire or loan of property that may be lost or destroyed. But, in lieu of such security, he trusts to the ability and good faith of the hirer or borrower, and requires a greater rate of profit to indemnify him for the risk of loss. In both cases, too, the profits of capital naturally arise from the inequality of human condition, and the diversity of men's tempers and desires.

In these cases, however, the profits of capital may be merely the transfer of a part of the products of land and labor from one portion of the community to the other. They only suppose that some, from temper or necessity, think only of the present, whilst others are not unmindful of the future; and that the price which one class pays for its self-indulgence or its poverty, the other receives as the reward of its forbearance and self-denial. Capital, thus made to change hands by the force of these moral agents, and thus altering the distribution of national wealth, adds nothing to its amount. But capital has also a creative power, by which it adds to the wealth of the nation, as well as of its individual possessor; and this, the higher and worthier source of its profits, we will now consider.

II. In every industrious community, capital co-operates with its land and labor, and is one of its main instruments of production. It is thus creative of wealth in two ways; first, by the use of tools and labor-saving machines, and secondly, by the division of labor.

First: By the aid of the tools which his ingenuity has devised, man can perform many operations on the rude products of nature, which would otherwise be impracticable. Of this, the axe, the saw, the auger, nay, every cutting tool whatever, furnishes ready examples. But it is by those machines by which the cheap powers, wind, running water, or steam, are made to substitute human labor, that the productive faculty of capital is most strikingly manifested. Thus, if an individual, wishing to provide a large quantity of plank, were to vest a certain amount of capital in a saw mill, he might thereby obtain ten, or perhaps twenty, times as much plank in a year as the same capital would have procured if he had employed it in having the plank sawed by hand, as would have been necessary without the invention of the saw mill, and is still occasionally practised. Here, all the additional quantity of plank obtained, after deducting the proportional part of its cost, is the nett product of the capital, and its powers of production are precisely similar to those of a piece of fertile land which has yielded a ten fold or twenty fold increase. If, in the one case, a bushel of wheat is made (with the aid of human skill and industry) to produce twenty bushels, so, in the other, capital skilfully applied may be made to perform twenty times the labor by which that capital was produced. The saw mill is a type of all the labor-saving machines by which the power of man over the several products of the material world has been so greatly multiplied, and the amount of his wealth in industrious and intelligent communities has been so prodigiously increased.

Secondly: Capital, also, greatly increases production, by enabling its owner to employ many workmen in a single manufacture, and to assign to each a separate operation, whereby the aggregate result is greatly multiplied. This distribution of employments, which has, ever since the days of Adam Smith, been called *the division of labor*, increases production in three different ways, as Smith remarks: "First, by the increase of dexterity in every particular workman; secondly, by the saving of the time which is commonly lost in passing from one species of work to another; and lastly, by the invention of a great number of machines which facilitate and abridge labor, and enable one man to do the work of many."

It might seem to some, that as this distribution of the various parts of a complicated business might be effected by the voluntary co-operation of individuals, without the employment of more capital than the same number of persons would require in any other branch of industry, the great benefits of their combined efforts are not fairly attributable to capital. But as such enterprises are rarely undertaken, and still more rarely succeed, except when under the superintendence and control of a master mind, and as in such a case a large outlay of capital is required to pay numerous workmen, and to provide the raw materials for their manufacture, it seems strictly right to regard the advantages of a division of labor as among the functions of capital, so far as respects the distribution of employments in the same manufactories, but not as it respects the distribution of different branches of business over different countries, or different parts of the same country. The first, we have seen, is not likely to be carried on, except by great capitalists; but the benefits arising from carrying on one branch of business in Manchester, another in Birmingham, and another in Leeds, may be attained with no greater expenditure of capital, nay, probably with less, than if the manufacture of cotton goods, hardware, and woollen, were indiscriminately carried on in each place.

When capital has thus, by the progress of science and art, added the faculty of a powerful agent of production to that of furnishing the ready means of expense, a new set of moral agents then direct its distribution. It is now sought as eagerly for the purposes of gain, as it once was for the pleasure of spending it, and he who pays for the use of it may be yet more benefited than he who receives its profits. By its means, the enterprising and industrious may avail themselves of the past savings of the frugal and forbearing, and these again may share in the future gains of well directed industry. Temporary transfers of capital are made for the purposes of production rather than of consumption, and the average profit it yields in this its later and predominant function, controls and regulates the rate of profit in every other.

From the preceding analyses of capital, we may see that the sources of its profits are to be found in man's moral nature, and that so far as it is derived from his preferring a smaller immediate gratification to a greater one at a distance, it is unconnected with the value of raw produce or of labor, and consequently, with the progress of rent. It would depend partly upon the proportion between the disposition to save and the disposition to spend, and partly upon the amount of capital that had been accumulated. With the same amount of capital, the larger the proportion of thrift over expense, the smaller the rate of profit, and *vice versa;* and with the same proportion between the two, the larger the amount of capital accumulated, the smaller the profit, and the smaller the amount, the larger the profit.

So far, too, as capital is an instrument of productive rate of profit, it is equally independent of the price of raw produce and of labor. The profits of capital, from this source, depend partly upon the extent to which it is capable of abridging labor, and partly on the amount accumulated. We know that the various implements and machines which man has invented to aid him in rendering brute matter subservient to his purposes, and by which he has imparted to it a new value, possess this power in very different degrees; that some may moderately increase his power, whilst others enlarge it ten or twenty fold. Now, it is clear, that the greater the saving of labor that capital can effect, the greater must be the profit it is capable of yielding. The machine, for instance, which can save the labor of one hundred men in a year, yields twice the profit of one which saves the labor of only fifty men, supposing their cost to be the same, and the capital vested in one is twice as productive as that vested in the other. As those modes of investing capital which effect the greatest profit will be first preferred, the successive savings made by thrift and frugality will naturally be employed in those ways which yield less and less profit; and the precise point at which these investments will stop, will, therefore, depend on the progress of science and mechanical invention, together with the amount of capital accumulated. Supposing the degree of advancement the same, the rate of profit will be inversely as the amount of capital accumulated; and supposing the amount the same, the rate of profit will be directly as the rate of advancement; or, in other words, the unoccupied field of abridging labor. Of two nations possessed of the same amount of capital, the profit will be the greatest in the one which is most advanced in science and mechanical art.

If, then, we have correctly traced out the moral principles which determine the rate of the profits of capital, whilst we in the main must agree with Adam Smith that profits diminish with the increase of capital, yet that theory must be taken with some qualification, since it assumes not only that the proportion between the frugal and luxurious continues unchanged, but that the field for labor-saving machines and contrivances is not susceptible of much variation, neither of which suppositions accords with the history of society. A nation may have a greater proportion of the thrifty class at one time, and of idle consumers at another; and in any style of its advancement some happy discovery may greatly enlarge the field for the profitable employment of capital. The invention of Arkwright's machine, and, yet more, that of the steam engine in England, the application of that engine to navigation by Fulton, and more recently its application to rail-roads, have, at different periods, so increased the demand for capital, that its profits have been kept from falling, and in some cases have actually risen, notwithstanding the counteracting influence of a prodigious increase of capital. With these qualifications, the doctrine of Smith, that the profits of capital in every country are in the inverse proportion to its amount, which is only saying that capital obeys the general law of losing a part of its value from abundance, is substantially true; consequently, that the rate of profit is as independent of the rate of wages, as the price of iron is of the price of wool; and that after that rate has been determined by the circumstances which have been mentioned, no branch of industry can have the aid of capital without the payment of that rate.

But if the principal foundation of the profits of capital is its faculty of saving labor, as we have contended, some may ask how can those profits be independent of the price of labor? The answer is, that in ascertaining the price of labor we compare labor, with something else, as with raw produce; but in ascertaining the rate of profits, we compare capital with itself. The rate being a proportionate part of the whole capital employed, is the same, whether that whole represent a greater or less value. Thus, if capital equivalent to the labor of one hundred men should, when vested in some labor-saving machine, save the labor of ten men after paying all expenses, the rate of profit, which would be ten per cent., would be the same whether the labor of the one hundred men were greater or less, for whatever is the value of the one hundred, the capital, so is the value of ten, the profit; and the capitalist who receives ten per cent. in India, where labor is four cents a day, derives precisely the same profit from his capital as if he received ten per cent. in the United States, where labor is ten or twenty times as high.

It has also been gravely maintained, that an increase of capital, and a consequent increase of *competition* among capitalists, cannot lower the profits of capital. "All that competition can do," it is said "and all that it ever does, is to reduce the profits obtained in different businesses and employments to the same common level."* But the tendency of competition to lessen the general average of profits, is as certain and as natural as the tendency to equalize them among individuals, and the same process by which the one is effected also effects the other. If competition among the laborers of a country tend to bring wages to one common level, it is no less certain that the increased competition of double the number of laborers would tend to make that common level yet lower. They are both consequences of the same underbidding of rival competitors.

For the purpose of better illustrating the relation of profits to wages and rent, let us suppose a small community of thirty families, of whom one third were the proprietors of the soil, another third owners of the capital required for its cultivation, and another, common laborers; that the best land had been taken into cultivation, and that its annual product was equally divided among each of the three classes, so as for each farm to rent for one hundred bushels of wheat, each laborer to receive one hundred bushels, and of course each farmer to receive the same for his outlay of capital.

Let us farther suppose that the population went on to increase, so as to make it necessary to resort to inferior soils, and that this process had continued until the population had doubled, by which time the produce of the same capital and labor which had previously produced three hundred, was now, on the inferior lands, reduced to one hundred and eighty bushels.

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* M'Culloch's edition of the Wealth of Nations, p. 476.

If all the three classes had increased in the same proportion, it is not improbable that the lands last taken into cultivation would rent on the same terms as the best lands had done, that is, for one third of the produce—the same circumstances of mutual competition which had brought about that result before, existing now. In this case, the farmers would be entitled to one hundred and twenty bushels, to pay the wages of the laborer, and the profits of his capital.

How would the one hundred and twenty bushels be distributed? According to the Ricardo school, the laborer should receive one hundred bushels, or near it, as before; or supposing one half of his wages to be appropriated to raw produce, to eighty bushels, leaving forty bushels to the farmer, or two fifths of what he formerly received as profit for the same amount of capital. But if capital and labor had increased in the same proportion, on the ordinary principles of supply and demand, the same division between them which had previously taken place would still continue, and each would receive sixty bushels, or three fifths of what it had formerly received.

But let us suppose that capital had not increased in the same proportion, and that there was an accession of only four fifths of the requisite horses, ploughs, and other implements of husbandry, for the cultivation of the additional soil. Then there would be a demand for less labor, whereby the competition among laborers would be increased, and their wages would consequently fall. But in the same degree that wages were reduced would the profits of the farmer be augmented.

But if, on the other hand, by the prevalence of thrift, capital had increased faster than population, as it commonly does in a prosperous community, and there was more than double the former amount of the implements of husbandry and of commodities stored away to pay laborers, in that case the increased competition among farmers would raise the wages of labor, and in the same degree that the latter exceeded sixty bushels, the profits of capital would fall short of that quantity. Thus we see, that while the profits as well as wages tend to decline with the progress of population, yet in the same stage of that progress, profits will have declined more or less than wages, according as capital has been accumulated in a greater or less proportion, and that in the division which capital and labor make of the products of the soil allotted to them, the proportion that they respectively receive, depends upon their proportion to each other.

As wages and profits tend to equality throughout the same community, when the capitalists and laborers are obliged to put up with a smaller return from inferior soils, they will be able to obtain no higher a return from the cultivation of the more fertile soils, and the difference goes to increase rents. Thus, in the supposed reduction of wages and profits from two hundred bushels to one hundred and twenty, the rents on the best lands would be raised from one hundred, to one hundred and eighty bushels, or from one third to three fifths.

With all this variance in the relative distribution of rent, wages, and profits, we find that each in its rise or fall obeys the great law of supply and demand. Thus, as in the progress of population the supply of fertile land becomes less in proportion to the demand, its products rise in value; while for the opposite the price of labor falls, and the profits of capital, in like manner, rise or fall, as the supply falls short or exceeds the demand for it, that is, the occasions of using it to aid human labor.

In the preceding example, we have considered it as employed solely in agriculture, in which case the demand for it will depend mainly upon the amount of the laboring class. But it must not be forgotten that it is also demanded for the purposes of commerce and manufactures as well as of agriculture, and the portion allotted to the last may be diminished by the field of profitable employment afforded by the other two, as well as by any other cause; for the rate of profit depends upon the proportion between *the entire demand* in all employments, and the *whole supply;* and of course, the greater the demand, the greater the rate of profit, until the increased rate of profit checks the demand, and restores the equilibrium.

A considerable diminution of supply has the same effect in raising the rate of profits as an increased demand. Whatsoever, then, checks the accumulation of wealth yet more than the progress of population, enhances the profitableness of the remaining capital. It is in this way that interest continues so high in India and China, and indeed throughout all Asia, where, by reason of the land being regarded as the property of the sovereign, he is able to exact so large a proportion of the products of the soil as to leave a mere pittance to the cultivators, so that no wealth can be accumulated from that source. The unlimited power of taxation derived from the same arbitrary character of their governments, and the insecurity of property, also impede the acquisition of wealth in other employments. Taxes, by lessening the amount of capital, have the same effect in raising the profits of the residue, that a scanty harvest has in raising the price of corn.

We see, on the other hand, the profits of capital fall with the increase of its amount. It has been owing to the steadily increasing opulence of Great Britain, in spite of a still increasing taxation, that interest has fallen from 10 per cent., in the time of Henry VIII., successively to 8, 7, 6, and 5 per cent., at which rate it has been fixed by law, for more than a century; though, in point of fact, for large sums the proprietors cannot get more than from 3 to 3½ per cent. It was the extraordinary opulence of Holland, too, which made the interest of money, and the ordinary profits, lower than in any country in the world—private individuals having formerly been able to borrow money there at 3 per cent., and the government at only 2 per cent. This low rate of interest, which was the natural consequence of the wealth she derived from her unequalled commerce, from her numerous manufactures, her extensive fisheries, and from her cultivating and fertilizing every portion of her territory like a garden, has been strangely attributed to her very heavy taxation.* In truth, both the taxation and the low rate of profits are the effects of extraordinary riches both in Holland and England, and if the additions to the national capital had not exceeded the whole amount of expenditure, public and private, interest would have risen instead of fallen. In like manner, the profits of capital may continue low notwithstanding a decline in the amount of capital, if there has also been a correspondent diminution of demand. In this way, the interest of money continues to be still somewhat lower in Holland than in any part of Europe, although she has lost many of the sources of her former opulence; but much of the capital she had acquired in the palmy days of her prosperity she still retains; and if being more than the narrower field of her commerce and manufactures can employ, has to seek investment in foreign countries, to avoid the expense and hazard of which a much lower interest is taken at home. Taxation does indeed lessen the revenues of all classes, including the capitalist; it may impair the amount of the national capital, and it always tends to check its growth; but, so far as it has that effect, it tends to raise the rate of profit rather than to lower it.

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* In M'Culloch's Principles of Political Economy.

In the preceding inquiry, the profits of capital have been taken in a narrower sense than is usual, and have been considered as identical with the interest of money lent, exclusive of the risk of loss. The term profits is commonly used by political economists to comprehend not only the return made by the capital itself, but also that which rewards him who employs it for his judgment, foresight, and personal superintendence in the management of it. This last is, strictly speaking, only a particular species of industry and talent, and the compensation it receives is of the nature of wages, and is regulated by the laws which govern wages. It is, then, much more favorable to scientific precision to separate the two, and to consider nothing as the profits of capital, but that return which capital yields independent of the personal exertions of its proprietor. The rate of profit in this sense is nearly uniform in the same country at the same point of time, but the personal services with which they are commonly conjoined have all that diversity which ever attends the rewards of human labor, according to the agreeableness of the employment, the risk of success, the difficulty of acquiring the requisite skill, etc.; and consequently, the rate of profit, in its ordinary sense, must have the same diversity. It may be five or even ten times as great in a business employing a small capital as in one employing a large one —at one rate in a safe, or an easy, or a reputable business, and another in a precarious, or a difficult, or a discreditable employment. To confound things so essentially distinct cannot but produce embarrassment in our reasonings, and in our practical applications of them often lead us into positive error.

It deserves to be remarked, that as in this way much that is called profits is in reality wages, so a part of what commonly goes under the name of rent is properly profits. Of this character is the compensation which the landed proprietor receives for the use of all buildings erected on his land, all improvements made by ditching, draining, fencing, or by any other employment of capital. The annual return they yield is governed by the laws of capital, and rises or falls with the ordinary rate of profits, independent of the progress of rents.

We have thus seen that the theory of Ricardo and his followers involves two fallacies as to profits: one, that the laborer will continue to receive the same real wages after his labor has become less productive; and the other, that whenever an increase of population makes it necessary to resort to inferior soils to furnish the requisite amount of food, the necessities of the augmented population extend to the proprietors of capital, and compel them to advance capital for the cultivation of such inferior soils. If these two points be conceded, the ingenious theory they have built on them is the logical consequence; but we have shown that they are contradicted by the whole history of civil society, and the most undeniable motives of human action; nor could minds of this stamp have adopted such errors, if they had been sufficiently impressed with the conviction that political economy is essentially a moral science, and if they had not prematurely attempted to reduce its laws to mathematical *formulæ* before they had sufficiently investigated the moral principles on which those laws are founded.

On this subject we may aptly quote the concluding remarks of Professor Whewell, in his "Mathematical Exposition" of some of Mr. Ricardo's doctrines in political economy:

"Any attempt to make this subject at present a branch of mathematics, could only lead to a neglect or perversion of facts, and to a course of trifling speculations, barren distinctions, and useless logomachies. '*Collocatio ejus inter mathematica,*' as Bacon says of another science, '*hunc ipsum defectum et alios similes peperit; quia a phenomenis præmature discessum est.*' And these defects may be incurred, even though common verbal reasoning be substituted for mathematics, if the course adopted be that of assuming principles and definitions, and making these the origin of a system. The most profitable and philosophical speculations of political economy are, however, of a different kind: they are those which are employed not in reasoning from principles but to them; in extracting from a wide and patient survey of facts, the laws according to which circumstances and conditions determine the progress of wealth and the fortunes of men. Such laws will necessarily affix, and probably always be too limited and too dependent on moral and social elements, to become the basis of mathematical calculation; and I am perfectly ready to admit, that the discovery of such laws, and the investigation of their consequences, is an employment of far higher philosophical dignity and importance than any office to which the mathematician can aspire."*

Mr. Senior's name having been mentioned as one of the supporters of the new school of political economy, as to the theory of rent, it is but justice to that political economist to remark, that he has not embraced the doctrine of that school as to profits—on which subject his views do not conflict with those of Adam Smith, though he has aimed in this, as in other parts of his excellent treatise, to reduce his principles to the strict form of science, far beyond what Smith attempted or seemed to have thought practicable.

The principles which I have endeavored to establish in the preceding investigation, will be now briefly recapitulated. They are,

1. That after the best land of a country is taken into cultivation, raw produce, from the increased demand for it to supply the wants of an increased population, gradually rises in price compared with human labor; in other words, that in the progress of society more labor is given for the same quantity of raw produce.

2. That it is in consequence of such rise of raw produce, or fall of labor, that new and poorer soils are taken into cultivation; which cultivation, by increasing the quantity of raw produce, tends to lower its price. But as such farther cultivation is the effect of the increased price of raw produce, it can never bring down the price to its former level.

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* Cambridge Philosophical Transactions, vol. iv., part i.

The effect of increasing numbers, in raising the price, and of a resort to inferior soils in lowering, may be illustrated by the ascent of a body lighter than air, which, as it ascends, takes up a chain that connects it with the earth, and which is prevented, by the increasing weight of the chain, from ascending as high as it otherwise would, before it finds its equilibrium.

3. That as population and cultivation extend, the laborer must receive less raw produce, unless the capitalist receive less. But the portion received by the capitalist depends upon the number of his competitors, and the demand for capital.

4. That the laborer receiving less raw produce for his labor, must consume less either in the quantity or quality of his food, unless he retrenches in other things. He commonly retrenches both in food and other things.

5. That the reduction of wages from the increase of numbers may be counteracted by improvements in husbandry. But while the price of raw produce may thus be rendered stationary, the landlord gains by the increase of quantity.

6. That profits are increased by whatever lessens the supply of capital, as taxation, dearth, or increased demand for it, as new avenues to trade, new modes of abridging labor, and the like. They are diminished by an increased supply of capital, as a long course of prosperity in commerce or manufactures, or by a diminished demand, as where former modes of employment are cut off, land, labor, and capital.

7. That though affected by different circumstances, all obey the great law of supply and demand, in the profits they severally yield. Thus, the profits of land, or rent, rise with the demand for raw produce. The profits of labor, or wages, fall with the increase of numbers. The profits of capital fall with the accumulation of capital.

The following table will illustrate the effect of an increase of population on rent, wages, and profits, according to the preceding principles. It supposes all the best lands to be taken into cultivation, improvements in husbandry stationary, capital to increase in the same ratio with numbers, and the raw produce to be equally divided into rent, wages, and profits, during the whole six periods of time supposed. The number of agricultural laborers are assumed to be one tenth of the gross population.

POPULATION.	*Number of laborers.*	*Annual produce in bushels of wheat.*	*Proportion of produce in rent, wages, and profits, each.*	*Wages of labor per day, in pints of wheat.*	*Whole amount of rents in days of labor.*
1,000,000	100,000	10,000,000	3,333,333⅓	160 = 2 p'ks.	6,666,666⅔
1,200,000	120,000	11,000,000	3,666,666⅔	146	8,036.000
1,400,000	140,000	12,000,000	4,000,000	137	9,343,000
1,600,000	160,000	13,000,000	4,333,333⅓	130	10,666,666⅔
1,800,000	180,000	14,000,000	4,666,666⅔	124	11,962,000
2,000,000	200,000	15,000,000	5,000,000	120	13,333,333⅓

It thus appears, that while the population had doubled, rents had increased 50 per cent., estimated in raw produce, and 100 per cent., estimated in labor, and that wages had fallen from two pecks a day to one and a half peck.

But as improvements in husbandry are rarely stationary in any country where art and civilization have made much progress, let us now suppose that they have been sufficient to make the produce of the soil keep pace with the population. In that case the last line of the table would stand thus:

Population	2,000,000	
Number of laborers	200,000	
Annual product	20,000,000	
Proportion of produce in rent, &c	6,666,666⅔	
Daily wages of labor	160	pints.
Rents estimated in labor	13,333,333⅓	

If, however, capital had not accumulated as fast as population, its proportional part of the raw produce would have an increase correspondent to the deficiency, by which the amount of raw produce received for rent would be less than before; but as wages would also be farther reduced, the landlords might be able to command as much labor as before. The distribution of the annual produce would then be altered in this way, supposing it to be 15,000,000 bushels, and the profits of capital to be two fifths of the produce,

Profits	6,000,000	bushels.
Rents	4,500,000	..
Wages	4,500,000	..
Daily wages	108	pints.
Rents estimated in labor	13,333,333⅓	

On the other hand, if capital should increase faster than population, as it commonly does in intelligent and well regulated communities, it would proportionally increase both wages and rents.

Art. III.—LIFE INSURANCE.

The proximity of death in all the varied and shifting scenes of life—the sudden and fatal accidents which expose men to be cut down in the prime of their youth, leaving fond and helpless relatives to mourn the loss of those upon whom they were dependent for protection and support—and the uncertainty of a life, whether in youth or age, which the slightest casuality may take away,—are subjects that naturally prompt an individual who is surrounded by a family, and connected with relatives relying upon him for necessaries to preserve them from the freezing charity of the world, to devise some means by which they can be saved from want and suffering, after his physical strength and mental energies shall have been destroyed by some one of the mysterious operations of a Divine Providence.

Under these circumstances he feels it to be indispensably necessary to the creation and continuance of his happiness while living, that some sure and unfailing provision should be made for securing to those who are dear to him, a sufficient competency to place them beyond a miserable dependence upon public charity after his death; and most of his aims in the business of life are directed towards this desirable consummation.

When we look abroad upon the busy action of the world, and view the varied and exciting scenes of life, and mark the struggling of mankind as they rush to and fro on the great stage of their employment—almost the sole object which we see them striving to attain is wealth, that they may transmit it with their names to posterity. It is not a miserly selfishness which thus induces men to exert the energies of their minds for the purpose of obtaining a portion of the world's treasures; they are actuated by sentiments of a nobler and more elevated character. The acquirement of sufficient property for the support of their families is generally the main object in view; and after this is accomplished, we often see them withdraw from the bustle of active life to scenes of retirement. The ends for which they have toiled from the dawning of manhood are then satisfied; and those dependent upon them are surrounded by all the comforts necessary to constitute happiness; and they are impressed with the consoling consciousness, that if death overtakes them, the pecuniary interests of their families cannot be prejudiced or injured.

The energies of men being directed by these impulses, and their duties pointed out and controlled by the feelings we have mentioned, it is of the deepest importance that the means which are most effectual in securing the desired object, and those attended with the least risk, should be generally known and appreciated, and their peculiar application thoroughly understood.

An individual may be engaged in the most prosperous business, from which he anticipates the realization of golden returns; he may be in the possession of every material calculated to create the foundation, and rear the superstructure, of a splendid fortune—and death steps in to darken the bright vision which his hopes had painted in perspective, and his wife and family are left almost penniless and destitute. A person may toil during a long life, and owing to the various misfortunes which he encounters, be unable at the time of his death to leave any considerable sum for the support of those dependent upon him for a livelihood, who are thus left unprotected, and exposed to the misery and suffering which poverty seldom fails to carry in its train. Almost every undertaking in life is attended with risk and uncertainty; and in whatever business the feelings of men may lead them to engage, they will find something which, in its direct or remote consequences, is calculated to unsettle the conviction their minds had formed, of the certainty of deriving large and profitable gains from the pursuit in which they embark.

As the ordinary employments of men so frequently terminate unfavorably to their pecuniary interests, and as the most brilliant auspices and flattering prospects are often annihilated and destroyed by the hand of death, it is a matter of grave importance to those whose situations in life compel them to rely upon the hazardous future for the acquirement of a competencey upon which to support their families, to reflect upon the means best calculated to secure this object, and to seize upon that, which, in the event of misfortune in life, and impoverishment at death, will surround their wives and children with pecuniary comforts. For the attainment of this very desirable end, nothing is so safe and effectual as the contract of life insurance, by which, for a sum proportioned to the age, health, profession, and other circumstances of the individual whose life is the object of insurance, the insurers engage that he shall not die within the time limited in the policy; and that if he does, a specified sum of money shall be paid to his heirs, or to those entitled to claim it by the terms of the instrument.

The numerous and obvious advantages resulting from insurance of this nature, led to its early adoption on the continent of Europe; and although its antiquity cannot be ascertained with much certainty, yet the old French authors mention it as perfectly well known so early as the middle of the seventeenth century. Before proceeding to point out the many benefits which flow from it, the principles upon which it rests, and the leading rules of law which govern its construction and control its effect, we shall briefly notice the objections which were made to it shortly after its introduction into the states of Europe; and which, in France and many other countries, led to the creation of positive regulations declaring this species of contract illegal and void.

The reasons which are given for abolishing insurance of this nature, after it had been introduced and sanctioned as productive of good results, do not seem to be very satisfactory. The main argument used against it in France being, that it fixed and determined the price of a man's life, which ought to be beyond all valuation, particularly that of a freeman. The manner in which it was at that time used, was, without doubt, often repugnant to good morals, and in many instances opened a wide door to a variety of frauds and abuses; for it permitted the most unlicensed gambling, by allowing an individual to insure the life of any person in which he had not the slightest interest; and in some cases, perhaps, led to the employment of the assassin to take away the life insured. These considerations probably formed the grounds upon which its illegality was declared, and yet they furnish no sufficient cause for its utter annihilation. Every necessary modification and restriction could have been imposed, and all the numerous benefits and advantages resulting from its use retained, and only those persons have been permitted to effect the policy who were interested in preserving the life insured.

It is true, that when this prohibition was made in France, and other states of continental Europe, the feelings and passions of mankind, whether influenced by avarice, or any other consideration which prompts human action, were less restrained within the bounds of morality and justice, than they have been at later periods, when a more wholesome and salutary system of laws has existed; but it is unnatural, and contrary to the feelings and principles of human nature, to suppose that the love of the wife and the affection of the child would, in any age be so far overcome by the desire of gain, as to induce them to sacrifice the life of the husband and parent, that they might enjoy the sum to which an insurance upon his life would then entitle them. The objections, then, with which this contract was met, upon its early introduction, arose from the immorality which prevailed, on account of the discordant materials of which society was then composed, the insufficiency of laws for the punishment of violence and force, and the unlimited extent to which it was carried; and did not result from any repugnant features intrinsically existing. This is evident from the fact, that in whatever country insurance of this nature has been allowed, under proper conditions and restrictions, it has ever been productive of the most inestimable results, and has been widely and extensively encouraged, by the most liberal and favorable legislation. The important advantages resulting from it were early perceived in England; and in the reign of Queen Anne, the Bishop of Oxford, Sir Thomas Allen, and some other gentlemen, were induced to apply for a charter to incorporate themselves and their successors, for the purpose of enabling them to provide for their families in an easy and beneficial manner. And the queen, in 1706, granted her royal charter, incorporating them by the name of the "Amicable Society for a Perpetual Assurance Office." This was the first institution of the kind ever established in England; and the benefits which it conferred upon the public were found to be so extensive, and the security it furnished for the support of families so great, that other companies for the same object were soon incorporated, and every facility was afforded to persons desirous of effecting insurance of this nature. As these societies were originally established in England, an unqualified permission was held out to all persons, allowing them to insure the life of any individual they pleased, in the same manner as had been practised in France, although it did not lead to the same results; for instead of abolishing it, a law was created, declaring that no insurance should be made by any person upon the life of another, in which the individual for whose use, benefit, or on whose account it should be made, should have no interest, or by way of gaming or wagering; and if made contrary to this law, it was declared void, to all intents and purposes. This provision effectually annihilated every species of gambling which had been carried on under cover of the policy; and destroyed all foundation, upon which objections to the legality and justice of this contract could rest, and placed it upon the broad principles of morality and sound policy.

After wise and enlightened legislation had in this manner eradicated the deep seated evils which had existed in the use of this species of insurance, the good results following from it were felt and appreciated, and the beneficial ends which it produced were considered of deep public importance. The prejudices existing against it gradually diminished, and finally almost disappeared; and objections against it were viewed as having little more foundation in justice or good policy, than could be pointed out in the case of an insurance upon a ship, or any other species of property.

Having glanced at the early history of this contract, and noticed the leading objections which were met and obviated previous to its being extensively introduced, and the benefits which it confers widely known and acknowledged, our next object will be, to point out some of the many advantages which may be derived from its use, and to consider a few of the instances where it is calculated to invest the person for whose use it is made, with pecuniary rights of a nature highly important. The cases in which beneficial results may arise, are numerous, and cannot fail to impress upon the mind a conviction of its great value in effecting objects for accomplishing which it may be used. If an individual has a wife and family dependent upon him for support, a small portion of the yearly income which he derives from the employment in which he is engaged, will secure to them at his death a sufficient sum to preserve them in the enjoyment of those comforts to which they have always been accustomed. Where married persons have a jointure, annuity, or pension, depending upon either of their lives, by insuring the life of the one entitled to such annuity, pension, or jointure, the other may secure a competency after death shall have taken away the one upon whom the life interest depended. If an individual is desirous of borrowing money, he may insure his life, and thus give the lender a security for the sum obtained.

A merchant commences in business with the fairest prospects of ultimate success, and is looked upon by those with whom he deals as worthy of liberal credit, but life is uncertain, and they are fearful that death may overtake him before he realizes sufficient to satisfy their demands; an insurance effected upon his life, will add materially to the credit he enjoys, and secures to his creditors the payment of their claims. If a creditor is in danger of losing his debt, in case the person who owes it to him should suddenly die, he may insure his debtor's life, and guard against the consequences of an event to which mankind are always liable.

A person possessed of an annual income only, may, upon marriage, secure by settlement, for the benefit of his widow and family, such a sum as it may suit his circumstances to insure. The cases we have mentioned are a few of the many instances in which life insurance is of incalculable advantage, In this country, however, the most frequent use to which it is applied, and the most valuable object it attains, is that of enabling a parent to provide for his family, when his income principally depends upon his own life or exertions; as in the case of professional men, merchants, mechanics, and persons living upon incomes. And how many helpless and destitute families would have been saved from suffering and want, if the husbands and fathers, who perished in the late dreadful conflagration of the steamer Lexington, had in this manner guarded against the fearful consequences which resulted from embarking their lives on board this ill-fated vessel. The experience of men is daily convincing them of the necessity which exists for obtaining this security for the benefit of their families; and when we examine the principles upon which it is based, and scrutinize their bearing upon the moral and social condition of mankind, we are unable to perceive any reasons which ought to prejudice the mind against it, or to observe the least tendency which it possesses towards the introduction of fraud or evil practices.

In a disordered state of society, where the administration of the law is too feeble and ineffective for the punishment of acts of violence, and where the midnight assassin and noonday murderer can walk securely abroad, clothed in the protection which is afforded by the strong arm of force, life insurance, unless confined within very narrow limits, may be dangerous; but in a community like our own, where stern justice is sure to overtake those by whom it is outraged, where the laws are respected and observed, and where the passions and feelings of mankind are governed and controlled by considerations of morality and the public good, it is eminently calculated to ensure the most important benefits, and to confer many valuable blessings. The prejudices which exist against it, on the ground that it trifles with the decrees of Providence by setting a price upon the solemn event of death, are without the least foundation in reason or good sense, and hardly deserve to be seriously considered. They arise from a want of due reflection, and proceed from ignorance of the true principles by which it is governed. What infringement of the rules of morality or religion is committed by an individual who pays a small yearly sum, that his family may enjoy a humble competence at his death. Is there any presumption towards his Maker, in thus endeavoring to make an event, which must inevitably produce mourning and unhappiness in the hearts of his wife and children, fall upon them as lightly as possible? can there be any impiety in looking forward to his final dissolution, and preparing for its consequences? or will it be pretended, that his duties towards those with whom he is connected by the most endearing ties of life extend only to their support and protection until his death, and that poverty and wretchedness should then be the portion of the widow and the orphan? Where is the moral distinction between insuring a ship for a voyage, with a hundred souls on board, and insuring the life of an individual? In either case, the loss may depend upon numerous circumstances, and all of them equally uncertain and contingent. If the lightnings of heaven, the billows of the sea, or the rocks which sleep beneath the ocean's wave, destroy the vessel, death may annihilate every person on board, and the event thus insured against is productive of the most dreadful consequences; while insurance upon the life of an individual contemplates a result which involves the safety of but a single person. After examining the foundation upon which this species of insurance rests, we cannot discover any material difference which exists to distinguish it from insurance upon property; for in either case, a loss usually depends upon chances which men cannot foresee, and over which they have no control; and although a wide distinction may prevail in respect to the purposes and objects for which they are obtained, yet they are based upon the same principles, and are governed by the same rules. For the purpose of presenting the subject of life insurance in all its various bearings, as well with reference to the case of an individual who obtains the policy upon his own life, as to the person effecting it upon that of his debtor, we shall endeavor to illustrate and explain the principles of law by which it is controlled, and to point out some of the leading rules which govern the construction and effect of this species of contract. To the person desirous of insuring his own life, or that of an individual in which he is interestod, the nature of the preliminary measures which he must take is important to be understood, and the facts and circumstances which he is bound to disclose, as the foundation upon which the policy is based, for the purpose of giving validity and effect to its provisions, should be faithfully and unreservedly communicated.

The usual mode of proceeding is, for the party to procure, at the office of the company, a printed form of proposal, containing a number of questions relating to the profession, situation in life, and health of the person, all of which must be satisfactorily answered, or the proposition for effecting the insurance will not be entertained. Queries to nearly the same general import are also propounded to the medical attendant and intimate friend of the person whose life is the subject of insurance, which must be replied to in a manner calculated to convince the company of the safety of the risk they are about to assume.

A declaration or statement must then be signed by the party, èmbodying the answers to the questions contained in the proposal, with an agreement that so far as such declaration relates to the age of the person to be insured, and the state of his health, it shall form the basis of the contract between the party and the company; and the policy is then made out and executed. As this declaration constitutes the foundation upon which the agreement rests, too much caution cannot be exercised in ascertaining the real state of the facts which it contains. It is the duty of the assured to disclose every material fact which may in any manner affect the assumed risk; and although specific questions, which are alike applicable to all classes of men, are proposed by the offices, yet if any circumstances exist calculated to shorten the life of the person insured, or which operate to the serious detriment of his health, they must be disclosed in all cases where a general question is put by the insurers at the time of effecting the policy. In construing the effect of the various conditions which form the subject of this agreement, the broad principles of justice prevail, and its provisions are not controlled by strict technicalities, or formal unmeaning rules. So long as it appears that the party effecting the insurance has not been guilty of fraud, and that he has made no concealment or misrepresentation, it will be expounded with that liberality in his favor which equity demands.

The offices will never take advantage of trifling objections, for the purpose of discharging their liability; and a resort to legal measures seldom becomes necessary.

It is important that the health of the party, at the time his life is insured, should correspond with the statement in the declaration; for although he may be of plethoric habit, or consumptive, or of a naturally delicate constitution from causes not ascertained, and which could not have been known and communicated, and are consequently risks which the insurers must assume, yet if any particular disorder exists, tending to shorten life, it must be divulged, and if kept a secret it will vitiate the policy.

For the purpose of showing the important necessity which in all cases exists for disclosing the true state of health which the insured enjoys, and the materiality of a concealment of any particular physical disability under which he may labor, we shall mention the circumstances connected with an insurance which was effected in 1824, by the Atlas Insurance Company in England, upon the life of the Duke of Saxe Gotha, in Germany. When the policy was effected, it appeared from the declarations and answers of the duke's physicians, and the statements of other persons, that he had lived a dissolute life in former days, by which he had lost the use of his speech; but his physicians did not mention the state of his mental faculties, the use of which he had also lost. In 1825 the duke died, and a large tumour, pressing upon his brain, was then discovered, which had existed for many years, and to which might be attributed the loss of his speech and mental faculties. Under these circumstances, the company refused to pay the sum for which the life of the duke was insured, and an action was brought against it upon the policy. Upon the trial of the cause, all the medical testimony went to establish that the symptoms during the duke's life were not such as to excite the suspicion that such a tumour existed, or that he was afflicted with any particular disorder tending to shorten life; but a foreign physician said, had he been consulted, he should have thought it his duty to state that he attributed the loss of speech to a paralysis of the organs; and an English surgeon said, he should have considered it right, in answer to the general question, "whether he knew any other circumstances that ought to be communicated to the directors of the company," to mention the state of the duke's mental faculties.

In deciding this case, the court held, that the concealment of these facts by his physicians was of sufficient importance to vitiate the policy, and to discharge the company from all liability upon the instrument, on the ground that the suppression of a material fact is, in contemplation of law, a fraud. A misrepresentation or concealment, which is material, will have the same effect, whether the policy is effected for the benefit of the insured or his creditor.

In the latter case, the party whose life is insured is considered the agent of his creditor, and all his statements, and those of his physician, with reference to his health, and other circumstances necessary to be divulged, are governed and controlled by the rules of law which have already been mentioned.

After the policy is executed, every stipulation and warranty which it contains must be strictly observed. Any material departure from its terms will, in contemplation of law, be sufficient to discharge the company from responsibility; although it will seldom avail itself of any excuse for this purpose, unless strong circumstances of fraud exist, or a wilful violation of its conditions is made to appear. Where insurance upon life is effected for the ordinary premium, certain limits and boundaries are prescribed in the policy, within which the person insured is bound to remain, and he cannot depart beyond them without vitiating it. This, in some cases, may be deemed unreasonable, as a slight deviation from its terms may often occur without in the slightest degree enhancing the risk of the company; but in order to prevent the multiplicity of questions which would arise in the settlement of losses if this enhancement was left open to inquiry and investigation, instead of being fixed and determined by arbitrary rules, the various insurance offices have deemed it imperatively necessary to mark out and define, by general provisions, the extent of country within which the assured must confine himself. It would be foreign to our present purpose, to enumerate all the various and minute warranties and stipulations which a policy of the nature we are considering embodies; or to notice and point out the high legal adjudications by which their construction and effect have been established.

The general principles of law by which ordinary agreements are governed, apply with equal force here; and as our main object is, to mention only those peculiarities which distinguish a policy of life insurance from other written instruments, we shall not depart from it by entering into a discussion of that which is wholly disconnected with its accomplishment. There is one branch of this subject, however, which yet remains to be considered in a legal point of view, with reference to an important feature it presents, and which has a material bearing upon the rights of the insured. We allude to the case of a creditor who insures the life of his debtor as security for the ultimate payment of his demand. In this case, it is necessary that the party insuring should have a plain, legitimate interest in the person whose name is inserted in the policy. Statutory provisions to this effect have long existed in England, it having been found of the utmost importance to check the notorious gambling and tendency to crime which it otherwise was calculated to produce; and in this country the same rule universally prevails, and such interests must not only exist at the time the policy is obtained, but must actually continue until the period when the sum for which the life is insured shall be claimed. What would be deemed a sufficient interest, or what must be its nature, in order to constitute a foundation upon which to base the policy, it would be difficult in some instances to define, although, in the case of a debt, the company would, under any circumstances, be liable to its amount.

Upon the general principle of allowing an individual to insure the life of another whose death may deprive him of a pecuniary right, there does not seem any good reason for denying this privilege to a person who is dependent upon the life of another for support; as in the case of aged and infirm parents, who rely upon the exertions of their children for the comforts and enjoyments of life; and under these circumstances policies have been effected, although their legal efficacy has never been determined by judicial decisions.

Although, as a general rule, the death of the person whose life is the subject of insurance determines the right of all the parties, yet if the creditor is subsequently paid the amount of his claim he cannot recover; for the insurance is regarded in the light of an indemnity against the loss of his debt, and if it is paid, the contingency upon which the loss depends no longer exists. This principle was laid down and established in England, in an action brought upon a policy effected upon the life of the Hon. William Pitt. The insurance was obtained by his coach makers, for five hundred pounds, he being indebted to them in more than twice that amount. After his death, and before the commencement of the suit, his executors paid out of the amount granted by parliament for the discharge of his debts, the full sum which they were entitled to receive; and under these circumstances, the court held, that they could not recover upon the policy, on the ground that the damages occasioned by the death of Mr. Pitt were prevented by payment of the debt before the action was commenced. As we have before observed, the company insuring will seldom avail itself of a defence of this nature; and in the case we have mentioned, the office did not take advantage of the verdict which was rendered in their favor, but paid the money to the insured before they left the court.

Our examination of some of the more important principles of law upon which this species of insurance is based, and by which it is governed, is perhaps sufficient to point out the material legal rights which the insured enjoys, and the rules of action he is bound to pursue in order to preserve them unimpaired. A more minute detail in this respect would involve numerous technicalities, most of which are of minor consequence even to those most interested.

The brief legal outline which is here given, will no doubt be uninteresting to many, and seem unnecessary to be noticed; but for the purpose of rendering contracts of this nature, for which so many entertain a prejudice, familiar to the mind, and to illustrate the principles which constitute their foundation, we have thought its introduction useful in connexion with the more miscellaneous and varied materials of which the whole is composed.

The numerous life insurance companies which have sprung into existence within the last few years, are more conclusively evident of the many benefits which they are capable of conferring upon mankind, than any thing else which can be advanced.

We do not pretend to deny that they are founded upon self interest, and governed in their operations by hopes of gain; but the theory of this species of insurance, from its very nature, is calculated to effect the most benevolent objects. The calculation of chances by which the amount of premium is determined, is governed by the probabilities of human life, deduced from long and varied experience and observation, which, together with the spirit of competition prevailing among the different offices, precludes the possibility of unfairness or imposition. Many evils may exist in their management, calculated to prejudice the rights of individuals whose interests are entrusted to their care; but when they are placed under the direction and control of men possessing a high integrity of character, combined with respectable talents and enlarged business capacity, no doubts or fears need be entertained of the honorable adjustment of every equitable claim.

Many of these companies in England, present an array of names in their list of directors, who are known as well for the high rank which they occupy among the nobility of that kingdom, as for the benevolence which induces them to lend their powerful influence in the support of whatever is calculated to produce results of a beneficial character; while others endeavor to create and support a reputation far beyond what they deserve, by parading a number of lords and honorables in their directorship, who are ignorant of the very existence of such institutions, except, perhaps, by a glance at a newspaper advertisement. It must be borne in mind, however, that many of them are mere associations of individuals without charters, loosely constituted, with irresponsible officers, a nominal capital, and who assume a borrowed guise in order to insure a greater prospect of success in their schemes of managing, trickery, and fraudulent conspiracy. The larger portion, however, are conducted in a highly honorable manner, possess enormous capitals, and afford the most perfect guarantee against every species of unfairness. Their long standing presents the strongest evidence of the great advantages which they have conferred upon the public, and at the same time furnishes a powerful presumption in favor of supposing that their dealings with individuals have been characterized by the strictest integrity. There are now about seventy offices of this kind in London, some of which have been established more than one hundred years. The lives which they insure number more than four hundred thousand, and are rapidly on the increase, and have been for a great number of years.

It is true that more persons exist upon a life income in Great Britain than in the United States, and consequently, the number of families dependent upon its duration is greater, which partially illustrates the cause why life insurance has been so generally introduced and extensively used in the former country, while it has, until recently, been almost unknown in the latter. But this is by no means the only cause, nor can it with any justice be assigned as a principal one; for with the credit system, almost infinite in its extent, and with every variety of complicated business transactions, which are calculated to swell the relationship of debtor and creditor, no country on earth presents so vast a field for its beneficial employment, in securing the ultimate payment of those obligations which depend upon the lives of men for their discharge, as the United States.

In a country combining all the elements calculated to demand the extended use of insurance of this nature, how does it happen that it is so seldom employed, while every other species of securities are eagerly sought after, and unhesitatingly grasped? It certainly cannot be for want of safe and honorably conducted institutions, in all respects calculated to afford the assured every protection which his interests require, for in no country are they established upon a firmer basis, with more salutary checks to guard against an abuse of their chartered privileges, than in our own.

The New York Life Insurance and Trust Company, in the city of New York, has been in operation but a few years; but the vast confidence which the Court of Chancery reposes in its management, by entrusting it with the disposition of those immense sums of money over which this court exercises a control, together with the public countenance and support which has ever attended the efforts of this company to promote the objects of usefulness for which it was created, conclusively show with what fidelity every trust reposed in it would be executed, and with how much integrity every engagement which it entered into would be performed. The president of this company has taken a great interest in facilitating a knowledge of the numerous benefits which life insurance confers, and his efforts, if attended with a success at all commensurate with the ability he has evinced in putting them forth, cannot fail of producing many beneficial results. Connected as he is with an institution of this kind, and being deeply interested in promoting its welfare, his exertions may be biased in its favor by preconceived opinions; but it is from men who have studied the principles of life insurance that we must look for information, and the high standing of this officer before the public, precludes the probability that he would attempt to mislead the community.

The Farmers' Loan and Trust Company, in the city of New York, a branch of its business being the insurance of lives, is of still more recent establishment; and if a heavy capital, under the direction of able and experienced officers, are considerations calculated to inspire public confidence, and afford any inducement for selecting it as the depository of important interests, this company possesses these requisites, and is every way calculated to confer those benefits upon community which were contemplated at its creation. The Massachusetts Hospital Life Insurance Company, in Boston, which was established many years since, is every way deserving of the high reputation for usefulness which it has so universally and eminently acquired; and in observing that its present officers discharge the various important duties which devolve upon them with a skill and integrity not inferior to that evinced by the late lamented Dr. Bowditch, its former president, who with the purest principles and feelings which ennoble human nature combined the most transcendant intellectual powers that endow the mind of man, we are pointing out the highest recommendation which can exist to render it deserving of public favor.

Many other offices are established in this country, in all respects worthy of confidence and trust, so that every opportunity exists for effecting insurance of this nature; and nothing is now wanting, but a correct appreciation of its importance, to induce an indefinite multiplication of policies.

This importance we have endeavored to show, and in doing so we have attempted to keep in view the many evils which inevitably result from carrying this kind of insurance too far; for, notwithstanding the theory which one or two modern writers have advanced, advising its almost unlimited extension, we are of opinion that no person should be permitted to effect it upon the life of another in which he has no interest, and for whom he entertains no affectionate regard calculated to prevent him from endeavoring to hasten that contingency upon which depends his pecuniary reward.

ART. IV—MERCANTILE LIBRARY ASSOCIATION LECTURES.

PROFESSOR OLMSTED'S COURSE ON METEOROLOGY.

LECTURE VII.

Hail Storms and Water Spouts.

THE lecturer, according to his usual practice, first recited the leading facts, and then proposed his explanation.

It is a very singular fact attending hail storms, that they are confined chiefly to the temperate zones, being seldom met with in the torrid zone, and never in their violent forms in the polar regions. Of all countries in the world, the south of France is visited with the most frequent and destructive hail storms. These storms are most violent during the warmer half of the year, and in the hottest months.

No one can doubt of the existence of an extraordinary degree of cold in the region of the atmosphere where the hail stones are formed; but the question is, how is this cold produced? Some suppose it owing to the agency of electricity. Professor Olmsted discarded this explanation, on the ground, that no known properties of electricity would cause such a degree of cold; moreover, were hail stones produced in any way by the agency of electricity, we should find them most frequent and violent in the torrid zone, where electrical phenomena are most remarkable; whereas such storms seldom occur in those regions. The true cause of hail storms is, the sudden cooling of a body of very hot and humid air, through the agency of the region of perpetual congelation. It had before been explained, that the atmosphere becomes continually colder as we ascend from the earth, until, at a certain height above every country, we reach a temperature where water freezes. This is called the term of congelation. Beyond this the temperature still decreases, until it reaches a degree of cold inconveniently intense. Such a region as this is well fitted to be nature's grand magazine of storms and clouds. In the lower parts of this region, the temperature is suited to the formation of clouds and rain merely; but at a short distance above, the cold becomes intense enough to condense watery vapor into hail; nor do we require any thing more than that a hot body of air, largely charged with watery vapor, should be suddenly transported into this region, in order to cause a hail storm. The modes in which such a body of air may be subjected to the influence of the region of congelation may be various. Were a body of hot air from the confines of the torrid zone to flow northerly at the elevation of two miles, it would soon plunge into the region of congelation over the colder latitudes; and if it should meet with a current of cold air at the same height, coming from the northern regions, (where such a height would be far beyond the term of perpetual congelation,) the effects of such a meeting would be very violent, and the sudden condensation of the water contained in the hotter current into hail would be a certain consequence. The lecturer, however, did not say that this was the precise mode in which the congelation is effected. In whatever way a hot and humid portion of air is suddenly transported into the region of intense cold, a hail storm will result, whether the air flow horizontally from the hot regions of the south into the region of congelation that exists at the same elevation over the temperate latitudes—or whether, as some suppose, the air rushes up from the surface of the earth, in consequence of a sudden and extraordinary rarefaction occurring in the upper regions—or whether, as others suppose, it is suddenly transported upward by a violent whirlwind. The explanation proposed, is independent of the peculiar mode in which the air, from which the hail is precipitated, is brought under the influence of the region of congelation. It asserts merely that the cold in question is derived from this region, and is not produced by the agency of electricity, or any other occult or mysterious cause.

. On comparing this explanation with the leading facts before enumerated, we find it affords a happy solution of several difficulties never before removed. Thus, we readily see why hail storms should be confined chiefly to the temperate zones, since the region of congelation is so high in the torrid zone, that such a body of hot and humid air as that from which the hail is precipitated would seldom or never reach it; and although in the polar regions the term of congelation is very low, yet there we cannot find the hot and humid body of air itself to transport into the cold medium. In the temperate zone, mixtures of very hot and very cold airs may be easily effected; or a volume of very hot and humid air may be easily transported by a whirlwind far above the term of congelation. That the most violent hail storms are produced by such whirlwinds is very probable, since such large hail stones as are sometimes formed imply the existence of some force which sustains them in the upper regions for a considerable time.

The frequency and violence of hail storms in the south of France is also easily understood, since here occurs the meeting of an extremely hot and humid body of air, that frequently crosses the Mediterranean from Africa, with the cold atmospheres of the Pyrennees on the one side, and of the Alps on the other. A similar explanation is afforded to all the other leading facts regarding hail storms.

Water Spouts.—Water spouts are whirlwinds formed over the sea. Suddenly the attention of the sailor is arrested by the formation of an exceedingly dense and black cloud, (often formed in a clear sky,) which descends in the shape of an inverted cone, towards the surface of the sea, where it is met by a more obtuse column, formed on the sea itself. It rains on all the surrounding region, often with great violence. Sometimes several of these spouts occur near each other at the same time. Fourteen have been known to form at once within a small distance of each other. They are proved to be whirlwinds, because they exhibit all the properties of whirlwinds. They move slowly forwards, and sometimes suddenly break up. Water spouts sometimes are formed over land, and become identified with tornadoes. Instances have occurred where they have crossed a river, and have taken up the contents of the stream, and distributed them over the neighboring country. Fish and mud have been thus raised from the bed of rivers, and scattered over the surrounding region.

Although we have proofs that water spouts are whirlwinds, and we can accordingly assign to them the same laws, yet it is extremely difficult to assign the true cause of their formation. Like fame, "they stalk on earth, and hide their heads among the clouds."

LECTURE VIII.

Aurora Borealis.

The Aurora Borealis exhibits a number of distinct varieties. In its simplest form, it has merely the appearance of a twilight in the north. In its more exalted forms, it shoots up into slender spindles called streamers—or spans the heavens with a luminous arch—or forms a ringlet, called the corona, around a point a little southeast of the zenith, around which the streamers arrange themselves, as a common focus. In the more splendid exhibitions of the aurora, a large bank of light is first seen near the northern horizon, which afterwards sends forth streamers, flickering corruscations, and waves which flow with immense velocity, sometimes upwards towards the corona, and sometimes around the horizon, crossing the streamers apparently at a much lower elevation. These are called "Merry Dancers."

Although similar exhibitions have occurred in all ages, and are often described in history, yet they have their periods;—for a number of years, usually not exceeding twenty, auroras are frequent and magnificent, and then are scarcely seen for fifty years or more. One of these periods embraced the era of the revolutionary war, and of the old French war; and another period, probably as brilliant as any on record, is now in progress, having commenced in the year 1827.

The leading facts respecting the aurora are as follows:

They are very frequent and splendid in the polar regions; but are seldom seen at all below the latitude of forty degrees. They are seen over an immense extent at the same time. The aurora of September 3d, 1839, was seen, almost in equal magnificence, at London, in Canada, at New York, and at New Orleans. Hence its height must, sometimes at least, be very great. Estimates carry it as high as fifty or sixty, or even one hundred miles. The aurora has singular magnetic properties. The magnetic needle is violently agitated during its presence; streamers arrange themselves parallel to the magnetic meridian; and the corona is formed around that part of the heavens towards which the dipping needle spontaneously directs itself, that is, towards the pole of the dipping needle.

In seeking an explanation of the aurora, general recourse has been had to electricity; but Professor Olmsted objected, that it cannot be accounted for from any of the known properties of electricity—that it is no explanation to call it "an electrical phenomenon"—that if electricity could satisfactorily account for the properties of the aurora, yet it does not account for its *origin*, which is the principal thing to be explained—and finally, that the atmosphere exhibits, during an aurora, no peculiar electrical excitement, and in the torrid zone, where electrical phenomena are the most remarkable, the aurora does not occur at all. After discussing, in a similar manner, all the existing hypotheses proposed to account for the aurora, the lecturer came to the conclusion, that they all fail to explain either its phenomena or its origin. He then urged the probability that its origin is extrinsic to the earth—that it is a "celestial visitant"—that the matter of the aurora is thrown into the atmosphere from some of those nebulous bodies that are known to be circulating in the solar system, one or more of which, in his opinion, produced meteoric showers. He did not think, however, that we are able to arrive at present at a full explanation of the origin of the aurora borealis, but holds that this is one of those points which are in reserve for the next or some future age.

LECTURE IX.

Meteoric Showers.

The most remarkable display of shooting stars on record, occurred on the morning of November 13th, 1833. From a little after midnight to sunrise, the sky was lighted up with the most brilliant fire-works. The leading facts, when collected from various sources, and systematically arranged, proved to be as follows:

The exhibition of shooting stars was seen in nearly equal magnificence and splendor all over North America, and it was chiefly confined to this country, having been witnessed on the east only about ten degrees from our coast, and on the west only a little farther than the confines of the Pacific Ocean; while, on the south, it fairly reached to the coast of South America. A great portion of the meteors were minute points which described a narrow streak of light in the air, appearing somewhat like snow driven furiously by the wind, and hence it was said to "snow fire;" but, at frequent intervals, much larger bodies descended along the arch of the sky, all seeming to proceed in lines, which, when traced back, came from one and the same point in the constellation Leo. At every return of the November shower since, the apparent "radiant," or place among the stars from which the meteors have appeared to emanate, has been likewise in the constellation Leo. In this, and in all the other November showers, the maximum, or period of greatest brilliancy, has occurred about four o'clock in the morning.

Immediately after the occurrence of this great meteoric shower, it was ascertained that a similar one had occurred in 1799, on the morning of the 12th of November, arriving at its maximum at the same hour of the morning; and that, only one year previous, namely, the morning of November 13th, 1832, a like display of shooting stars was witnessed at Mocha, in Arabia. Subsequent investigations have established the fact, that the phenomenon has been exhibited in a greater or less degree on the 13th or 14th of November, every year since 1831, inclusive. In France, and other parts of Europe, in 1836, observations were made in a great number of observatories, which resulted in establishing a full conviction of the periodical return of the meteoric shower at this time of the year. Professor Olmsted remarked here, that it was no part of his theory of meteoric showers, that a shower should be exhibited *every* November. If it should occur at all, it would probably visit different parts of the earth in different years; but, according to his views of the origin of these showers, it is most probable that, like the aurora borealis, they have particular periods, which occur after long intervals, and last only a few years.

Two other annual returns of the same phenomenon have been established,—one about the 10th of August, the other about the 7th of December. These showers, however, differ materially in several respects from those of November, and it is uncertain whether or not they depend on the same cause.

The lecturer next examined several of the leading hypotheses which have been proposed to account for meteoric showers, such as that they are produced by electricity, by magnetism, by hydrogen gas collected in the upper regions, and by terrestrial comets revolving around the earth as ordinary comets do about the sun. All these suppositions he showed to be incapable of explaining the phenomena, or of accounting for the origin of these showers.

LECTURE X.

Cause of Meteoric Showers.

Professor Olmsted began this lecture by stating the difficult inquiries involved in the investigation of the cause of Meteoric Showers. Such are the following: Was the origin of the meteors within the atmosphere or beyond it? From what height did they descend? In what direction? With what velocity? Of what size were the meteors? Whence their light and heat? And, finally, whence their origin?

In answer to these inquiries, it was shown, that the meteors came from a region beyond the atmosphere—that they came from an immense height, so great as not easily to be estimated by any data in our possession—that they fell towards the earth in parallel lines, their apparent radiation from a common centre being the effect of propulsion—that they moved with an immense velocity, greater than could arise simply from the earth's gravity, which can never give to a body a greater velocity than seven miles per second—that some of the meteors were bodies of great size, often, at least, a large fraction of a mile in diameter—that they took fire and burned by falling into the atmosphere, and condensing the air before them so suddenly and so powerfully as to elicit from it the light and heat obscured. All these points were clearly proved by the most substantial reasons, which our limits will not permit us fully to recite.

The professor finally instituted the inquiry, "What is the origin of these meteors?" The meteors were evidently composed of exceedingly light matter, else they would have come down to the earth—and of transparent matter, otherwise we should have seen them, at least by reflected light, before they entered the earth's atmosphere—and of combustible matter, since they were seen to burn. Now were these meteors all collected and restored to their situation in space, they would of themselves compose a body of great extent, and yet many reasons go to prove that they constitute but a small part of the body itself from which they are derived, being only the "extreme portions" of that body. Hence it is inferred, that the meteors fell to the earth from a large body in space, composed of such materials as the meteors themselves, and hence of a nebulous character, or analogous to the tails of comets.

But the earth, in its revolution around the sun, had fallen in with this body for several successive years, in the same part of its orbit. Had the body remained there while the earth had gone round the sun? That is impossible, since no body in the solar system can remain at rest. If not attracted by some nearer body, it would descend immediately to the sun. This body, therefore, must have a revolution around the sun, in order to be found for several successive years in the same part of space.

What is the period of its revolution? It must be either the same as that of the earth, or greater, or less. It could not be greater, for in that case it would not have got round so soon as the earth. It must therefore be either the same, or less. If less, the period must be some aliquot part of the earth's period, as one half, one third, etc., so as to perform just two or three revolutions while the earth performs one, otherwise the two bodies could not come together at the end of a year. Let us suppose, then, that the period of the meteoric body is one third of a year, or four months. Now when we know the time in which a body revolves around the sun, we can find the longer axis of its orbit by Kepler's law—that the squares of the periodic times of the planets are to one another as the cubes of the major ones of their orbits. This law is known to govern all the bodies of the solar system, and must govern the body in question. But were the period of this body only one third of a year, the greater axis of its orbit, as determined by the foregoing law, would not be sufficient to reach from the sun to the earth, and therefore a body revolving about the sun in such an orbit could never come so near the earth as this body actually did. Hence the period could not have been so small as one third of a year. Was it half a year? The determination of its orbit on this supposition, gives a major axis sufficient to permit the body to go around the sun, and still at its aphelion, or greatest distance from the sun, to come very near to the earth. Hence it is inferred, that the period must be either a year or half a year. Some reasons induce the belief that it is half a year; but this point is not yet fully decided.

Since, then, a large nebulous or cometary body comes very near the earth about the 13th of November, ought it not to be seen by reflecting the light of the sun, even if it does not shine by its own light? There is a body of this description seen in the solar system, known by the name of the zodiacal light, exhibiting a faint pyramid of light, either after the evening or before the morning twilight. Does this body correspond, in its appearances and its different positions, with those which the body in question must assume? Professor Olmsted thinks there is much reason to believe that such is in fact the case, and that the zodiacal light itself is no other than a nebulous body revolving in the solar system, and coming at its aphelia very near to the earth. Still he does not consider this opinion respecting the zodiacal light as essential to the proof of the existence of such a meteoric body as that contemplated by the theory, but only as lending an incidental confirmation of it. He claims that all the conclusions respecting such a body are made out by a fair induction of facts, except what relates to its period of revolution. It is still uncertain whether that is a year or half a year. We may assume each of these periods, and compare it with the phenomena, and that which corresponds best to the facts will prove the true period.

ART. V.—HISTORY AND LAW OF FIRE INSURANCE.

FIRE insurance, though coming directly home to the interests and bosoms of a large portion of the community, is of modern origin, and is the offspring, in some degree, of crowded cities, and great accumulation of personal property. Though constituting but a small item in the law-merchant, properly speaking, fire insurance, in amount of risks, has however in Great Britain, and we presume in this country, far outrun marine insurance; and the former has become, in some degree, to those whose habitations and whose interests are alone upon the land, what the latter is to those who do business upon the great deep. Still, though the risks have increased so much, the law in relation to fire insurance is neither abstruse nor complicated, and has not occupied much of the time or the talents of the judicial tribunals of the old or the new world. Founded upon contracts limiting and defining with much precision the extent and nature of the insurer's risk, the construction of these contracts has constituted generally the important point in most of the decisions upon this subject. When Mr. Park published his treatise on marine insurance in 1786, he says that he had been able to find but three leading cases upon fire insurance among the decisions of the English courts. Since then, however, fire insurance has greatly extended, and some new questions have arisen, and been discussed with a zeal and knowledge corresponding with the importance of the subject.

The oldest fire insurance society or company now in existence, so far as we have been able to ascertain, is the Hand in Hand Contributionship Society of London, which was organized in 1696, about thirty years after the great fire with which that city was visited.

It has been supposed that fire insurance societies had their origin in England soon after the fire, and the supposition is by no means improbable. When recurring to the condition of London at that period, we are led to feel that the afflictions of our city, severe as they are and have been, are light in comparison with those of that then ill-fated city. In the year 1665, the plague carried away nearly one hundred thousand of her inhabitants; and in the following year, the fire rendered houseless two hundred thousand more, and this with a population of little more than half a million. It was one of the consolations of the afflicted Londoners, that the fire had burned out the plague. Many of the narrow and filthy streets, where it had previously found a fit abiding place, were destroyed, and that scourge of London, so far as that city was concerned, might almost literally have been said to have been burned up. A brief recapitulation of the extent and consequences of that fire may not be uninteresting.

It raged for three days, and burned over, within the walls of the city, three hundred and seventy-three acres, and about seventy-five acres without the walls. Thirteen thousand and two hundred houses were destroyed, embracing eighty-nine parish churches, besides chapels, together with the cathedral of St. Paul, and the Royal Exchange.

It was checked by the blowing up of buildings with powder, but not until the inhabitants had almost given up in despair, feeling

> "That the strong man's arm was impotent to save,
> And powerless were the mighty and the brave."

The loss of property was estimated at ten millions sterling, which, considering the increase of personal property and the depreciation of money, would probably equal at the present time eighty millions of dollars.

The parliament voted the sufferers one million and eight hundred thousand pounds sterling, to be assessed upon the whole nation. In four or five years the city was entirely built up, and commodious streets and substantial brick and stone edifices took the place of narrow lanes and wooden rookeries. This, with the burning out of the plague, say the chroniclers of the day, rendered what at first was considered a great national calamity, almost a national blessing. Upon individuals rich and poor this great loss bore heavily, and the heart of many a widow and orphan was wrung with anguish. A calamity so awful and afflictive might naturally have suggested the adoption of some means to prevent thereafter so much individual want and suffering;—some means which should transfer the loss by fire to a considerable portion of the community, and thus render light a misfortune which might otherwise reduce the immediate sufferers to poverty. Hence, it is said, arose societies for mutual assistance in case of fire; among the earliest of which was the Hand in Hand Contributionship Society, already mentioned, which has survived its contemporaries, if any it had, and which, for a century and a half, has afforded aid to the unfortunate, and sustained itself amid all the changes and disasters of that great emporium of the civilized world.

Companies like those in our city, where capitals are employed by owners who are not necessarily among the insured, were of still more modern origin, in England at least. Upon the continent of Europe, fire insurance, it is said, has never become general. It was introduced in Paris in 1754, but Pothier says that it never became very general in that city. In Holland it is said to be almost unknown. Magens, who published a translation of his work on marine insurance, in London, in 1755, says, that at Hamburg there existed an institution called a Fire Cassa, of long standing, and which, in most of its features, resembled the mutual assistance societies of England. The small risk run in Hamburg may be judged from the fact that only one quarter of a mark premium per annum was charged upon one thousand marks insured—about one tenth of the lowest premiums of this city. By the rules of that institution, no house could be insured, be its value ever so great, for more than fifteen thousand marks—about five thousand dollars. "We can account for this limitation," says Magens, "in no otherwise, than by supposing the intention of the legislature to have been to curb by this restriction the pride of the citizens, and hinder them from being too magnificent in their buildings"—and he adds, that it is a "very wise maxim, certainly, in a trading city." We apprehend that a better solution might be found, in the supposition that this rule was adopted for the purpose of preventing any individuals becoming entirely and completely insured, and thus leaving sufficient property at stake, in ordinary cases, to protect the society against culpable negligence, if not against fraud.

In England, in 1755, fire insurance, says Magens, was very common; and he states the usual premium to have been two shillings on the hundred pounds on the first thousand, and two shillings and sixpence on the hundred pounds for each additional thousand—being the one tenth of one per cent. on the first thousand, and one eighth of one per cent. on the additional thousand—a rate of premium, also, far below that of our own day, which, before the late fires in our city, varied usually from three tenths to six tenths of one per cent. In his day, he blames companies for making insurances too readily upon property of persons unknown and of doubtful character; an error undoubtedly of corporations at the present time—an error which has always been a fruitful source of loss, and we might add of crime, and which has tended to enhance the insurer's risk.

We have already stated, that in amount of risks fire insurance greatly exceeds marine insurance, especially in Great Britain. At the present time, a tax of three shillings upon every hundred pounds insured is levied and collected by the government of that country. Estimating from the amount of this branch of revenue, in 1830, there must have been insured against loss by fire in that year, in Great Britain, property to the extent of seventeen hundred millions of dollars. The marine insurance in the same year amounted to nearly one third, or about five hundred millions. In our city, previous to the late fires, there was probably taken by all our fire insurance companies risks to between seventy-five and one hundred million of dollars. The law of the contracts regulating risks of such enormous magnitude, though neither abstruse or complicated, becomes of great importance.

In ordinary fire policies, the insurers, after reciting the receipt of the premium and the subject insured, usually covenant and agree, or undertake, that from the day named in the policy unto and inclusive of another day named in the policy, the stock and funds of the company shall be liable to make good any loss or damage by fire which may happen to the property insured, except loss or damage by fire happening by any invasion, foreign enemy, civil commotion, or riot, or any military or usurped power. Several of the exceptions have been the subject of litigation, and their meaning defined. Thus, it has been held, or decided, that the words "usurped power" are meant only to extend to cases where houses are set on fire by means of an invasion from abroad, or of an internal rebellion, where armies are employed to support it. In another case, Lord Mansfield defined a civil commotion to be an insurrection of the people for general purposes, though it may not amount to a rebellion, where there is an usurped power.

Another ordinary condition of the policy is, that if there shall be any fraud in the claim for loss, or any false swearing in relation thereto, that then the claimant shall forfeit all benefit under the policy. This is an important provision, and is often made the ground of resistance to the payment of claims for losses believed by the insurers to be unfounded. As by the terms of the policy, also, no payment is to be made without the oath of the insured, it follows, that in case of unjust claims, they could always be resisted, if it were in the power of the underwriters to furnish the requisite testimony. But it is not a mere mistake or misapprehension of the insured, in making up the estimate of his loss, that will render void his policy. It must be done with a fraudulent intent, and the intent must be gathered from the circumstances of each case. There are also usually different classes of risks which are enumerated in the policies, or in schedules annexed to them, and the premium corresponds with the risks. When a statement is given by a person proposing to insure, it is generally necessary that he should specify the property in such a manner as that the insurer may determine to what class it belongs and regulate the premium accordingly. In many cases, and especially in city risks, the insurers make their own survey or examination, and determine for themselves the class to which the risk belongs. It has been held that such a statement, though in writing, does not constitute a part of the policy, and that there is an important distinction between a misrepresentation contained in such a statement furnished, whereby property insured is placed in a more favorable class as regards premium, and a warranty upon the face of the policy that it belongs to such class. But if the representation is referred to as forming a part of the policy, the same as if inserted therein, or any similar words, it becomes a part of the policy, and every statement in it becomes a warranty. A warranty in a policy has been defined to be a condition, or a contingency, that a certain thing shall be done, or happen, and unless that is performed there is no valid contract. In the former case, when the statement is not inserted in, or referred to in the policy, if the misrepresentation has grown out of a mistake, or if the variation is so slight that the risk is not materially altered, the insured might recover. But if there be a warranty, then the thing to be done or happen must be performed, and the property insured must conform to the class to which it is assigned, and the slightest variation will discharge the insurers. Thus, in the case of the New Castle Fire Insurance Company *v.* Macmoran & Co., the defendants were held not entitled to recover their insurance, because, on the face of the policy, they had warranted the cotton factory insured by them to belong to the first class of risks when it belonged to the second. The only respect in which the factory differed from one of the first class was in the length of a stove pipe, which was three feet long when it should have been but two. In all other things it was in accordance with the warranty, and an alteration in that particular was made after the execution of the policy by the company, and before the loss occurred; but it was held that the variation at the time of the execution of the policy was fatal, and that the warranty must be strictly and literally complied with; and the defendants, therefore, lost their insurance.

The application for insurance and the policy should specify particularly the several kinds of property and the amount insured on each; or, if there are several buildings, they should be described or mentioned in the policy separately, and the amount insured on each building specified. So, also, personal property should be described with reasonable certainty as to its nature or kind. If an insurance be made on the stock in a store, or by any similar words, books of account, written documents, securities or evidences of debt, deeds, writings, money, or bullion, unless particularly specified, would not be protected. So an insurance expressed to be on household furniture would not protect jewels, plate, paintings, statuary, sculpture, or other similar articles of mere ornament.

The nature and amount of the interest of the applicant for insurance should be fully and fairly stated—the interest of the party in buildings, whether as owner in fee, tenant for life, or for years, mortgagee, judgment creditor, or whether legal or equitable; and some offices require the applicant to disclose any incumbrance by way of mortgage, judgment, or otherwise, upon the property.

Another important condition contained in fire polices is, that if the insured shall make any other insurance upon the same property, and shall not with reasonable diligence give notice, or if at the time of effecting the insurance the property shall be insured in another office and notice thereof is not given, in either case the policy is to be void. Then, in case of a loss, each company pays only that proportion of the loss which its amount of risk bears to the united risks of the whole; so that in no event can the insured recover beyond the value of the property destroyed, unless by concealment or misrepresentation, which if discovered would invalidate his policy. The rule in some cases has operated rather hardly upon the insurer, and especially in the great fire of 1835—as in cases where a merchant's stock has been reduced, by sales or otherwise, below the amount of his insurance, and he is partly insured in companies which are solvent, and partly in those which are insolvent. Though his whole stock of goods lost may not exceed the amount of his insurance in the solvent company, yet his having an insurance also in an insolvent company prevents him receiving only their proportion from the solvent company. Still, the premiums charged by each company are the same, whatever number of offices the same property may be insured in. The condition, however, is a good one, and is inserted for wise and prudent purposes. Were it otherwise, there would be great temptation to fraud, and the insured, after obtaining insurance to an amount far beyond the actual value of his property, might be induced to become himself the incendiary, in order to make a good sale of his effects. In all cases of insurance against fire, the insured must have an interest in the property. The doctrine that insurance against fire is a mere bet or wager, and that it matters not whether the insured has or has not an interest in the property insured, has at times been contended for, but has always been repudiated by the courts. If allowed, it would indeed be a dangerous doctrine. In marine insurance, it was formerly held that wagering policies were good; and now marine policies are frequently made out to brokers, or to an indifferent person, specifying that it is for the benefit of the person mentioned, or of whoever it may concern. It appears to us that this is an objectionable feature even in marine policies, as the character of the insured in almost all cases must, in some degree, qualify the insurer's risk. The practice is said to have grown out of the over anxious desire of merchants to keep their adventures as far as possible concealed from the knowledge of the public. But it is not so objectionable a feature in marine as it would be in fire policies. The mariner, tossed upon the lonely ocean, and driven by violent storms upon rock-bound coasts, finds a check upon his desire to commit a fraud, if any such desire he may have, in the perils and dangers ordinarily incident to his pursuit. If, however, wagering policies were allowed in fire insurance, or if individuals were allowed to effect insurance upon property not their own, or in which they had no interest, insurance would become an invitation to fraud, and instead of being an indemnity in case of accident, might become a high premium to be paid for successful crime.

The character of the interest of the insured has been several times considered, and a liberal construction has been given to this branch of fire insurance law. In the case of the De Forrests *v.* the Fulton Fire Insurance Company, in the Superior Court of this city, the question came up, whether a commission merchant had an insurable interest in the property consigned to him for sale, and after a full discussion, it was decided that he had such an interest, and that he could recover the insurance in his own name. In the policy, the property insured was stated to be the property of the assured, or held in trust by them, or on commission. Chief Justice Jones said, "that in principle the consignee, who has the actual possession of the property, with plenary powers of sale, must be clothed with a special property in the goods, so as to enable him to effect a valid insurance upon them in his own name, and to entitle him to recover for the loss of them, upon an averment of interest in himself. This is undoubtedly a liberal construction, but one which was considered necessary, as without it it would be difficult for the commission merchant to transact his business. As between him and the consignor, in case of loss, he would be obliged to account to the latter for such goods as belonged to him, or for such proportion of the insurance as was effected upon his property, and it being specified in the policy that the goods are on trust or commission, it is in the power of the insurance company, if they mistrust that there may be insurance also by the consignor, to call upon the commission merchant to disclose the owner of the property. But care must be taken to have the policy worded so as to cover property held in trust or on commission. Thus, in the case of Brichta *v.* the New York Lafayette Insurance Company, also in the Superior Court, it was held, that an insurance of the plaintiff upon goods and furniture in his store, would not cover property left with him for sale, and upon which he had made advances. Had his policy contained the clause, his goods and furniture in his store belonging to himself, or held in trust by him or on commission, then he would have brought himself within the rule laid down in the previous case. A *bona fide* equitable interest in property may be insured. Thus, in the case of Tyler *v.* Ætna Fire Insurance Company, in 12 Wendell, the Supreme Court held, that a person holding a contract for the purchase of a house, upon which contract he had paid money, and was bound to pay more, could insure. In equity, he has the same estate as if he had the fee vested in him, and would have an interest to protect the property, as much as if he were the absolute legal owner.

So it is presumed a lessee could insure his rent, especially when there is a contract on his part to pay the rent, and no contract on the part of the lessor to rebuild, or that the rent should cease on the destruction of the premises by fire. The lessee, under such circumstances, would have a *bona fide* equitable interest in the premises. So, a judgment creditor may insure. Whatever may be the amount of the insurance, the insured can only recover to the extent of his interest in the property.

An insurance against fire having been effected, the insured cannot assign the policy without the consent of the company; and even then the assignment would be of no use, unless the subject insured, or some interest in it, be transferred also; for the policy, as we have seen, would be of no value, unless the holder has an interest in the property. In case, however, of an individual having a specific lien upon the property, as a mortgagee for instance, then an assignment of the policy, with consent of the insurers, might enure to his benefit. Companies ought to possess this power to withhold their consent to the transfer of policies. Frauds and fraudulent claims upon fire offices are so frequent, that the character of the party proposing to insure has become a subject of great importance. If the insured were allowed to part with his policy, and to assign it to whom he chose, he might materially affect the risk, or might indeed create a new risk, which the insurers would not be willing to assume. After a loss has accrued, it is in the power of the insured to assign his policy without the consent of the company, for the risk has terminated, and it is simply the assignment of a claim. But though the policy may be transferred after a loss without consent, and at any time during the continuance of the risk with consent, still the transfer of the property insured passes no right to the policy. More than a century ago, Lord Chancellor King held, that fire insurances do not attach on the realty, or in any manner go with the same as incident thereto, by any conveyance or assignment, but they are only special agreements with the persons insuring against such loss or damage as they may sustain.

It has been an interesting inquiry, how far an equity in favor of third persons attaches upon insurance. In more than one case in Chancery, says Mr. Comyn, where the lessee has covenanted to repair, (accidents by fire excepted,) and the house having been burned, the lessor being insured, and *having received the insurance money*, has neglected to rebuild, an injunction has been granted against an action at law by the lessor, for the rent, till the house should be rebuilt. In later cases, however, this principle seems to be denied; and in the case of Leeds *v.* Chatham, 1 Simon's Reports, the vice chancellor said, that with respect to the equity which the plaintiff alleges to arise from the defendant's receipt of the insurance money, there is no satisfactory principle to support it.

This would seem now to be the law upon this subject; and Mr. Ellis, in his work on fire insurance, upon a review of all the cases, remarks, that the contract of insurance is confined to the parties, and that, as a general principle, no other person has any right in equity to the proceeds.

In case of loss by fire, it is usually required by the offices, that written notices be forthwith given, and that as soon thereafter as possible a full written statement of the loss be furnished, accompanied by the oath or affirmation of the insured, and by a certificate of a magistrate or notary most contiguous to the premises destroyed; the magistrate or notary certifying as to the loss, and to the origin of the fire, and that they believe the fire occurred without fraud on the part of the insured.

Thus we have endeavored to trace out very briefly the history and law of fire insurance. It has been questioned, whether the loss of property occasioned by negligence and avarice, and the frauds and crime which have directly or indirectly been induced, do not more than counterbalance the good arising from fire insurance. That the multiplication of insurance companies, and the consequent facilities afforded for effecting insurances, has led to much fraud, and occasioned much culpable negligence, cannot be doubted. It is conceded, by all the writers upon insurance law, that such has been the effect. Magens, in his day, censures the companies for making insurances too readily, and for insuring persons whose characters were unknown, and that such a course led to great evil. Mr. Marshall ascribes many of the fires of London to insurance; and he doubts whether in a general and national point of view the benefits are not more than counterbalanced by the mischiefs it occasions. It has been stated that in Paris, after the introduction of fire insurance companies, fires were much more frequent than before. In our own city, the facts which have been established put the matter beyond question, that insurance is the cause of many of our fires. More than two thirds of the property annually destroyed is insured property, while probably not much beyond a half of the whole insurable property of the city is insured. It has been stated by persons connected with insurance companies, that more than three fourths, and probably seven eighths, of our fires break out upon insured property. It cannot for a moment be supposed that any very large proportion of these fires originate in fraud, at least such was not the impression until recently, but it must be conceded that they are oftentimes the result of negligence, which may be almost equally culpable. The facility and comparative cheapness with which insurance has been obtained, has undoubtedly led to the erection of stores and warehouses in a slight and unsubstantial manner. The owner could obtain an insurance upon them, and the premium which he would be obliged to pay for that insurance would not equal the interest of the additional money required to make them in truth and in fact, as well as in name, fire proof. Stores which contain at times goods to the amount of half a million of dollars are thus slightly erected, and, as in the fire of 1835, and in recent fires, melt away like wax before the devouring element. The fire in 1835, in this city, was unparalleled in this respect. The great fire in London destroyed principally wooden buildings. The fire here swept over a district of our city covered almost entirely with buildings denominated fire proof.

Still, it may be contended, that commercial enterprise could not well be carried on without the aid of insurance; and it seems highly important that when an individual or firm have in their store or warehouse a large amount of personal property, that they should by insurance be enabled to protect themselves against unavoidable and otherwise fatal losses by fire. Men in moderate circumstances are thus enabled, by paying annually a small sum, to guard against the effects of accident which otherwise might ruin them. It is, perhaps, rather the abuse which has been made of fire insurance that is to be censured. If regulations should be made by the companies whereby they should refuse to insure to the full value of property, thereby putting the insured party upon his own care and attention, perhaps the evil might in part be prevented. There are some mutual companies established upon this principle in some of the eastern states, where risks are taken only to the extent of two thirds of the value of the property, which have been very successful.

In London, the companies are compelled by their charters usually to keep at their own expense a certain number of engines, stationed in different parts of the city; and they also employ firemen, and porters to remove goods when in danger. If our companies should raise the rate of insurance, and should also be compelled to provide engines, and firemen, and porters, and if, in every fire that occurs, a rigid investigation should take place, and when found to be the result of fraud, or even culpable negligence, the guilty person should be punished, besides losing his insurance, important improvements would undoubtedly be the result; and the stock of fire insurance companies would become a safe investment for the funds of the widow and the orphan, and a protection to those who may suffer from unforeseen or unavoidable accidents.

We append a table, compiled from the Fire Commissioners' Report in the City of New York, exhibiting the number of fires which have taken place in this city, between the 23d day of May, 1839, and the 1st day of January, 1840; the amount of property destroyed, as nearly as the same could be ascertained, and the amount of insurance effected thereon.

Date of Fires.	*Am't Insured.*	*Whole amount destroyed.*	*Date of Fires.*	*Am't Insured.*	*Whole amount destroyed.*
1839.			Oct. 21	1,200 00	No Loss.
May 21	No Insurance.	20 00	.. 21	1,000 00	No Loss.
.. 23	12,000 00	14,943 00	.. 23	No Insurance.	25 00
.. 26	1,000 00	300 00	.. 23	1,150 00	1,500 00
.. 27	49,000 00	2,100 00	.. 23	2,500 00	1,440 00
.. 27	2,000 00	2,500 00	.. 27	7,500 00	1,460 00
June 6	3,500 00	3,486 00	.. 28	5,500 00	150 00
.. 8	2,800 00	3,300 00	Nov. 1	No Insurance.	800 00
.. 18	6,000 00	800 00	.. 2	30,000 00	11,000 00
.. 20	95,000 00	200 00	.. 3	11,000 00	7,000 00
.. 20	3,400 00	2,000 00	.. 5	5,000 00	1,500 00
.. 20	1,500 00	100 00	.. 9	No Insurance.	2,450 00
.. 20	1,500 00	250 00	.. 9	20,000 00	250 00
.. 27	9,000 00	No Loss.	.. 9	800 00	1,290 00
.. 29		No Loss.	.. 10	No Insurance.	200 00
.. 30	70,000 00	64,000 00	.. 10	No Insurance.	300 00
July 1	6,000 00	1,800 00	.. 10	500 00	225 00
.. 1	1,000 00	5,200 00	.. 10	5,000 00	7,000 00
.. 4	No Insurance.	1,550 00	.. 11	No Insurance.	500 00
.. 6	500 00	No Loss.	.. 11	No Insurance.	200 00
.. 7	70,000 00	No Loss.	.. 13	3,000 00	150 00
.. 8	No Insurance.	1,150 00	.. 20	10,000 00	400 00
.. 10	4,000 00	No Loss.	.. 20	No Insurance.	70 00
.. 12	No Insurance.	500 00	.. 21	8,000 00	No Loss.
.. 24	5,000 00	5,000 00	.. 23	1,100 00	750 00
.. 31	1,000 00	350 00	.. 23	No Insurance.	150 00
August 8	1,500 00	470 00	.. 23	No Insurance.	250 00
.. 10	No Insurance.	300 00	.. 23	1,060 00	80 00
.. 12	No Insurance.	No Loss.	.. 24	3,500 00	12,200 00
.. 15	No Insurance.	No Loss.	.. 27	No Insurance.	150 00
.. 17	1,000 00	1,100 00	.. 28	20,000 00	21,000 00
.. 18	5,000 00	5,000 00	.. 29	1,000 00	900 00
.. 19	No Insurance.	No Loss.	.. 29	20,500 00	21,105 00
.. 24	No Insurance.	No Loss,	.. 30	30,000 00	24,000 00
.. 26	8,000 00	5,000 00	Dec. 2	7,000 00	150 00
.. 30	No Insurance.	1,500 00	.. 4	No Insurance.	600 00
Sept. 5	No Insurance.	200 00	.. 5	6,000 00	No Loss.
.. 10	1,000 00	420 00	.. 8	1,500 00	40 00
.. 11	4,500 00	30 00	.. 9	7,150 00	4,500 00
.. 23	90,000 00	287,100 00	.. 9	26,000 00	2,100 00
.. 25	6,350 00	100 00	.. 10	1,100 00	40 00
.. 29	27,000 00	6,500 00	.. 14	550,000 00	360,000 00
.. 29	No Insurance.	No Loss.	.. 15	2,000 00	1,750 00
Oct. 5	1,900 00	130 00	.. 16	20,000 00	1,800 00
.. 5	500 00	500 00	.. 17	550 00	No Loss.
.. 6	631,500 00	1,000,000 00	.. 19	No Insurance.	3,000 00
.. 6	4,500 00	6,000 00	.. 22	6,200 00	400 00
.. 7	No Insurance.	No Loss.	.. 24	5,000 00	2,450 00
.. 10	2,000 00	5,000 00	.. 25	1,200 00	950 00
.. 11	No Insurance.	30 00	.. 26	3,000 00	1,600 00
.. 15	2,000 00	2,200 00	.. 28	No Insurance.	2,200 00
.. 16	2,500 00	100 00	.. 30	1,500 00	2,280 00
.. 17	54,000 00	34,100 00			
.. 19	500 00	15 00		2,015,960 00	1,967,699 00

The origin of the fires, according to the classification of the commissioners' report, were:—supposed to be by incendiaries, 43—supposed to be by design, 7—accidental, 23—cause unknown, 2—by an incendiary, 1—by sparks from chimneys, 3—defect in chimneys, 3—sparks from forge, 2—lighted lamp, 1—locofoco matches, 3—lighted candle, 1—spirit lamp, 1—defect in fire place, 1—cause not ascertained, 2—from stove pipe, 1—sparks from candle, 1—slack lime, 1.

Description of buildings in which fire originated.—Frame buildings, 43—brick, 34—stone, 3—brick fronts, 5—fire proof, 13.

ART. VI.—MERCANTILE BIOGRAPHY—JAMES LLOYD.

THE Honorable JAMES LLOYD, an eminent merchant for twenty-five years, in the latter part of the last century and the beginning of the present, and a distinguished politician for twenty years, was the son of James Lloyd, M. D., a highly respectable physician of Boston. Dr. Lloyd was of the old school in his manners and costume, and in his deportment displayed something more of formality than one now witnesses, except in a very few in advanced life, who still linger amongst us. There was more of dignity as well as of decorum in his behavior, and more respect manifested towards others, than at present prevails in society. He was also one of the most skilful physicians of his time, and might be ranked with Bulfinch, Rand, Danforth, Tufts, Warren, and Brooks.

The son was educated in the University at Cambridge, near Boston, and received his first degree in 1787, with the reputation of a good classical and belles lettres scholar. He devoted a due portion of his time in the University, to the study of mathematics and geography; and attended more to history, probably, than most of the students of that period. I am not able to say what attention he paid to logic, farther than the regular studies in the University required; and yet it may be justly concluded he studied logic, as well as rhetoric, for his writings and public speeches were argumentative, lucid, and discovered very discriminating powers of mind. His conduct, while at the University, was highly honorable in a young man, and he early manifested a correct moral sense in all his intercourse with his fellow students. He was a model in this respect. I was three years at the University with Mr. Lloyd, though not of the same class. He was gentlemanly in his manners, even at the age of eighteen, and though pleasant and very companionable, there was nothing in his conduct which might be justly denominated boyish, or offensive to strict decorum. Indeed, he was a gentleman when he entered the University, at the age of fourteen, and he was free from the common eccentricities of youth.

On inquiry of a classmate of Mr. Lloyd, he wrote me as follows: "He entered college when quite young. My impression is, that he was a classical and belles lettres scholar, was studious, and made good proficiency in the various branches of education then constituting the academic course. He maintained a respectable rank in the class, was a young man of courteous manners, pleasant and amiable, and I believe his conduct was always honorable."

Soon after he left the University, he entered the store of Thomas Russell, Esq., one of the first merchants in Boston, as to character, property, and commercial enterprise. Mr. Russell was then engaged more extensively in commerce than any one of that enterprising city, and his counting room was an excellent school for one intending to engage in mercantile pursuits. It afforded rare opportunities for becoming an intelligent merchant; and young Lloyd had a laudable degree of ambition to be distinguished, or thoroughly acquainted, in the profession which he had chosen. It is understood, that he read much during the time he was in Mr. Russell's store, though he attended diligently to the detail, or the practical part of the business. He continued about two years with that eminent merchant; and must have acquired extensive and correct information as to mercantile law, and the customs of merchants in other countries. In all professions, it is important to unite theory with practice; one may not justly expect to be eminent or successful without it. There are certain principles which regulate mercantile and commercial pursuits, and by which they are regulated; but these are of a general nature, and good judgment and experience are still necessary to success in such enterprises.

Every successful manufacturer, every fortunate adventurer, every rich trader, is not justly entitled to the appellation of an intelligent merchant. A trader in one of the seaports in Massachusetts, but very ignorant, sent *warming pans* to the West Indies, a few years ago, and, strange to relate, he made a good voyage. They were bought at a great advance on their cost, to dip up molasses! He shipped them by the advice of some one who meant to hoax the simple owner. But the article produced a larger profit than would have arisen from fish, or any other commodity sent from the place, at that time. On leaving the store of Mr. Russell, Mr. Lloyd went to the north of Europe, and visited various places in that quarter of the world; and thus acquired much personal knowledge respecting the trade and commerce of the old continent. When he returned to Boston, he engaged in business as a merchant; and was alike intelligent and devoted in the profession.

On several occasions, he was interested in foreign voyages with the Messrs. Perkins, the most eminent and enterprising merchants of that city in 1793, and for many following years. He was not one of that company, but joined them at different times, when large capital was necessary to be employed.

If Mr. Lloyd was distinguished for correct and extensive views on commercial subjects, he was no less so for probity and punctuality in his dealings. All who transacted business with him, all who knew his character, had perfect confidence in his promises, and relied on a prompt fulfilment of them. And surely this is a most important trait of character in a merchant: but the mere speculator or adventurer is seldom able to meet his engagements with punctuality, even if he intended it when he promised; and a truly honest man will be cautious in making promises which he is not sure of being able to perform.

Such was the character of Mr. Lloyd for information and uprightness, that he was selected for a representative in the legislature of Massachusetts, at the age of thirty-five; and this was not common thirty or forty years ago, when Boston had only eight members, and those men of talents, good judgment, and great weight of character. Mr. Lloyd was several years in the house, and afterwards in the senate of Massachusetts. He had great influence in the legislature, arising as well from his industry and impartiality, as from his talents and information. He was firm and decided in his opinions, and at the same time entirely free from mere party views and feelings. His speeches on important occasions—for though able in debate he was not a great talker—were argumentative, pertinent, and commanded the admiration of his political opponents. The statute of Massachusetts, relating to days of grace on bills of exchange and promissory notes, was introduced and supported by him. In 1808, on the resignation of Mr. Adams, then a senator in congress from the state, Mr. Lloyd was appointed to that important and elevated station. He remained in the United States senate several years, and after having resigned his seat in that august body, on account of the feeble state of his health, he was again, at a little later period, elected a federal senator for Massachusetts. And during the whole period of his service in congress, he was faithful to the interests and rights of the state, an able defender of the honor and independence of the nation, and eminently useful, by his intelligence and industry, in legislating both on subjects of commerce and of finance. Indeed, no member of the national legislature had more influence than Mr. Lloyd, or used it with more discretion and judgment. His knowledge and experience as a merchant qualified him to judge correctly as to the effect of any commercial regulations proposed to be adopted by the federal government, and to point out the operation of treaties on commerce and navigation with the maritime countries of Europe? His opinions were of great importance in fixing the duties on foreign imports and tonnage, with reference to the prosperity of our own trade and navigation, and to the advancement of domestic manufactures. He was a friend to the latter, but did not fully approve of the tariff of duties as fixed in 1828. It was his apprehension that the duties were excessive, and would operate unfavorably on the navigation of the country. Of the encouragement given by congress to manufactures, in 1816, he fully approved, and acquiesced in, rather than advocated, the tariff of 1824. Next to agriculture, as the foundation necessary for general prosperity in a country like the United States, he deemed commerce highly useful, if not absolutely necessary, and he was sensible of the attachment of a great portion of the citizens in the Atlantic states to commercial pursuits. Far from opposing, he rejoiced to perceive that manufactures were increasing; he only desired that no unequal protection should be given, lest foreign trade and commerce should consequently decline.

Mr. Lloyd advocated with much ability and zeal the resolution before the senate, in 1822, for the distribution of the public lands among the several states, for the purposes of education. He was decidedly of opinion that the old or original states should receive an equal share in the funds accruing from the sales of lands in the new states, after the public debt should be paid. They were ceded by different states for the benefit of the whole union, and after the general debt should be extinguished, it was but just that the proceeds of their sale should be divided among the several states, for their respective appropriation, whether for internal improvements, for education, or other purposes.

At an early period of the federal government, in 1798, though a young man, Mr. Lloyd was a warm advocate for the navy; and while a member of the national legislature, he was explicit and active, on all proper occasions, for its support and increase; and he considered the responsibility and efficiency of a navy to be identified with a prosperous state of navigation. Frequently, he was one of the committee of the senate on the increase of the navy, and for the general naval concerns of the United States. As a debater, also, there were very few superior to Mr. Lloyd in the senate. He was master of the subject which he undertook to defend and support, and his speeches were clear, argumentative, pertinent, and usually powerful and eloquent.

Mr. Lloyd was candid in his opinions, and courteous and conciliatory in his deportment towards political opponents General Smith, of Maryland, and others, often bore public testimony to his impartiality and magnanimity as a politician, and they always listened to his statements and speeches with great attention. Yet Mr. Lloyd was far from being a temporizer in politics. He openly avowed his opinions, and firmly adhered to them, having formed them after due inquiry and consideration. And with all his courtesy, he had a very high sense of honor, and would not receive insult from any one, unrebuked or unnoticed. On one occasion, when a member of the senate was disposed to make trial of Mr. Lloyd's courage, or to deter him from the full expression of his sentiments on an exciting political question, he replied with proper resentment, but with equal firmness, and satisfied his opponent that he was not to be frightened from his purpose by violence or abuse; and with all honorable men his conduct was approved and applauded.

Mr. Lloyd was a member of the senate of the United States when war was declared in 1812; but he did not approve of that measure. Indeed, it was adopted by a small majority of the senate. Mr. Lloyd was of opinion, that the disputes between the United States and England could be better adjusted by negotiation than by an appeal to arms.

A part of the war Mr. Lloyd was a member of the executive council of Massachusetts, Governor Strong being then in the chair; and he approved of all the leading measures of that distinguished magistrate. Of the Hartford convention he had some doubts, as to its policy or expediency, but none at all of its abstract right, or consistency with a deep reverence for the constitution, and an equally high conviction of the duty of preserving the union. He supposed that it might afford occasion with some to pretend that the eastern states were in favor of a separation, and of their attachment to Great Britain—precisely the objections and charges made against that convention. It was his opinion that there was no such design, either in the members of that convention, or in their constituents. The result he considered moderate and wise, showing a supreme regard for the welfare and prosperity of the whole people of the United States, and manifesting the most ardent desire to preserve the union. Several of the members of that convention were intimate personal and political friends, in whose wisdom and patriotism he had the most perfect confidence.

When President Madison intimated, in a public message, that he feared some citizens were plotting against the union, in 1812, a resolution was passed in the senate of the United States, at the instance of Mr. Lloyd, requesting the evidence of such a plot, and the names of the persons who were concerned in it. Mr. Madison replied, that he had no proof, and that no particular persons had been named as having such a design.

Mr. Lloyd was again appointed senator in congress from Massachusetts some years after the war, and continued until the state of his health obliged him to retire from public life. His former high reputation for intelligence, judgment, and patriotism, was not at all abated. His attention to public business was unremitting, and his wise counsels were not given without effect. In 1822–3, he devoted himself to explain and urge the claim of Massachusetts on the federal government for remuneration on account of the expenses of the militia in the war of 1812–15; and it is understood that he made a strong impression on the mind of President Monroe in favor of the equity of a reimbursement.

In his domestic relations, and in the circle of his friends, Mr. Lloyd was fitted to receive and to communicate happiness. The lady of his choice united intelligence with gentleness and delicacy of manners in a remarkable degree. She justly appreciated his worth, she could best approve his discriminating taste, nor be unaware of his high and honorable character in the estimation of his fellow citizens. On account of feeble health for several years of his life, Mr. Lloyd mixed less frequently than most others, of his property and standing, in large companies. But he administered "the rights of hospitality" to his visitors with much apparent cordiality, and with great felicity of manner. Some young persons of the present time might charge him with a degree of formality in his deportment: he was indeed precise, and always consulted decorum and propriety; or, perhaps, it might be more justly said, that they were habitual to his character from his early years. But his demeanor was not, therefore, unpleasant to his friends, who, with his peculiarly urbane and gentlemanly manners, never felt unduly restrained at his table or in his company.

The character and political opinions of the patriots of the Revolution, had the respect and admiration of Mr. Lloyd. His father had been friendly to the parent government in 1775, but not one of those who left their native country to put himself under the protection of the king. His submission to the British government was like that of many other aged men in that trying period, who, though friends of civil liberty, feared a more oppressive exercise of power over them if they were unsuccessful in their resistance, and of that there was some reason to fear. The aged, therefore, were generally disposed to submit; but the younger class, fortunately, had more resolution and more enthusiasm, and nobly resolved to resist or to perish. Mr, Lloyd early imbibed the principles and sentiments of the whigs of 1775, and, in theory and sincerity, was a true republican. But he was too wise to be a leveller, too great a friend to true liberty to be a radical, and had too much self-respect to flatter the ignorant for the sake of popularity. Mr. Lloyd passed several of the last years of his life in Philadelphia, where he had many valued friends, and died in New York in April, 1831, where he went to reside for a short time. Though he retired from the concerns of public life, his death was extensively and deeply lamented, and his memory is still cherished in many hearts with sentiments of high regard.

ART. VII.—POST-OFFICE REFORM—CHEAP POSTAGE.

THE readers of this Magazine are well aware, that Sir Rowland Hill has presented to the people and government of Great Britain a plan, by which he proposes to reduce the postage of letters in that kingdom, to the uniform price of *one penny*. The commissioners of the post-office having considered his proposition, and being satisfied that a reduction of postage could be safely made, have already commenced the preparatory arrangements to carry it into effect. As an experiment, they have reduced the postage of single letters to all parts of the United Kingdom to the low price of *four pence.*

The people of the United States, always ready to adopt measures of economic reform, and eager to open every avenue for the cheap and rapid diffusion of useful knowledge, have taken up the subject of cheap postage, and presented petitions to congress to abolish the franking privilege, and to reduce the present rates of postage. The public press has discussed this subject, and urged upon the representatives of the people the importance of immediate action. It was generally supposed that a subject of such vital interest to all classes of the people, and on which they had expressed so strong and decided an opinion in its favor, would have induced the post-master general to notice it in his annual report to the president, and recommend immediate measures to reform the present unequal and burdensome monopoly. But in this expectation they have been disappointed. This important subject is disposed of in the following summary manner:

"The radical change in the rates of postage on letters, recently adopted in Great Britain, has attracted much attention in the United States. To enable me to furnish congress with information on that subject, and all others connected with the post establishments in several of the most considerable European countries, I have dispatched one of the special agents of this department to Europe, with instructions to visit them in person, and furnish me with minute details of their organization and operations. Many documents, and some interesting particulars, have been received from him, but he has not yet been able to prepare himself to make a detailed report. As soon as such report shall be received, it is intended to submit to congress all the information it may contain, for their consideration."

On this paragraph of the report we are constrained to offer a few remarks. First, we consider it an unnecessary waste of time and money to send out a "special agent" to make inquiries on this subject. All the necessary information could have been obtained equally as well from our highly intelligent ministers at London, Madrid, Paris, Vienna, and Berlin. The books already published, and the manner in which the business of the London post-office is conducted in all its ramifications, could have been procured and forwarded to the post-master general without any delay or expense. And as there are no "state secrets" connected with the cheap system of postage, all the particulars and details could have been given to Mr. Stevenson without the least hesitation. But secondly, admitting that it was necessary to send out a special agent, we would ask, what has he been doing for *nine months*, that "he has not yet been able to prepare himself to make a detailed report?" This "special agent" left New York, in the Great Western, last June; still he has not given sufficient information to enable the post-master general to report on this interesting subject!

The cheap postage system has been in operation in England several months, and even despotic, sluggish Austria, has followed the example; and yet the energetic and industrious Mr. Kendall has not moved one step in the matter except to send out a special agent, who, after a nine months' laborious research, has not been able to understand the system so as to make a "full report." Even the political opponents of Mr. Kendall have heretofore been disposed to allow him business talents of a high order, and his friends have confidently believed that he would eagerly seize the opportunity of introducing a reform in the rates of postage; but alas, he has, at least in this instance, disappointed both his friends and opponents

It is not our intention in this article to complain of Mr. Kendall, or his "special agent," but to show the absolute necessity of adopting immediately a cheap and more equal system of postage, and eventually a total reform in the post-office department—a reform which is necessary to make it more congenial to the spirit of our institutions, and the advancing knowledge and improvements of the age in which we live.

The post-office department in this country has never been looked to as a source of revenue, except during the last contest with Great Britain. Then the rates of postage were increased to raise a revenue to enable us to bear the expenses of the war; but as soon as it was ended, the postage was again reduced. All that has been required from the post-office is, that it should support itself. This it has always done, even when the revenue did not amount to a tenth of what it now is, and notwithstanding the immense increase of revenue, there has been no reduction in the rates of postage for the last twenty-five years. The business of the department has been so managed, that all its revenue has been more than expended, and according to the last report of the post-master general, the expenditures of 1838 were $4,621,837 16, being $386,759 19 more than the income, and the last year the "engagements and liabilities of the department were $4,624,117 86, being an excess of engagements and liabilities $147,479 30!" How is this? Surely the public interest cannot require such expensive outlays upon post routes that yield little or no revenue, and which can be of little use to the wildernesses through which they pass. Judging of the future from the past, should the revenue from postages amount to ten millions instead of five millions of dollars, the whole will be expended in affording "mail facilities" to those portions of the country where little or no revenue is derived, at the expense of the denser and more populous sections of the union. Let us be understood in this matter. We have no objection, while the present system exists, that congress should establish post routes through every portion of our territory, and even beyond the Rocky Mountains, but we do solemnly protest against compelling one portion of the community to bear this expense for the benefit of the other.

It is possible that one reason why Mr. Kendall did not recommend in his report the immediate reduction of postages, is that his department is now in debt! Three years since, he stated that he would have a surplus of fourteen hundred thousand dollars, after paying the debts incurred under the lamented Barry's administration, and yet in the years 1838–9, the expenses of the department exceeded the income upwards of *half a million of dollars!* If poverty was the cause of his not recommending the measure, he should have said so, and not give this important subject the go-by, with merely stating that he had not heard from his agent. England, with her heavy national debt and enormous governmental expenses, is obliged to look to the post-office for a portion of revenue to meet these demands; still, with a promptitude that does the lords commissioners infinite credit, they have reduced the postage to a cheap and equal rate throughout the United Kingdom. Why, then, should Mr. Kendall hesitate to recommend a measure which is fraught with so many advantages to our rising country, even if it should require appropriations from congress to carry it into effect.

But we contend that a cheap system of postage may be advantageously adopted in this country without any aid from congress, if equal and exact justice is done to all the parties concerned. For example, in the first place, let the *franking privilege be wholly abolished,* so that no person may send or receive letters or papers without paying postage. Now, all the departments of government, each member of congress, and every postmaster in the United States. enjoys the franking privilege; and it is well known that whatever legal restrictions may be imposed against its abuse, they are too frequently disregarded. On the departments of government, there is no legal restriction whatever, they send by mail as much as they please. Some members of congress send cart loads of documents daily; and during the session of congress the mails are loaded down with speeches that are never read, and documents which remain unopened. Post-masters send myriads of letters daily on their own private business, and hundreds take the office solely on account of the franking privilege. Abolish this privilege, and the expense of transporting the mails would be so reduced, and the revenue so much increased, that a reduction of fifty per cent. in the rates of postage might be made immediately. There is no justice whatever in requiring the people to pay the postage of the departments, members of congress, and post-masters.

It may be objected, that members of congress would be heavily taxed by their constituents, were they obliged to pay postage for all the letters sent to them. It would be no more burdensome to them than it now is to the members of the state legislature. When their constituents write them on their own business, they know it is their duty to pay the postage; so would it likewise be as it respects members of congress. Or if it was deemed necessary, the congressional post-office might open an account with each member, and the amount at the close of the session be paid from the treasury in the same manner as their other expenses are now paid. A proposition to abolish the franking privilege will no doubt be unpopular with all who are interested in its continuance, and from such no favor is to be expected. Nevertheless, the rights of the whole people are paramount to the interests of a comparatively few individuals, and must and will be eventually respected by every friend of his country.

In the second place, we maintain, that the adoption of a cheaper system would, instead of decreasing, greatly increase the revenue of the post-office department. The present heavy tax upon letters is a serious interruption to that friendly intercourse which would be kept up between absent friends, many of whom are unable to bear the expense, and others are unwilling. Besides, there are myriads of letters now sent by private conveyance, which, if the postage was reduced, would be sent by mail. Not a steam-boat leaves the wharf, nor a mail-stage the tavern, but takes with them hundreds of letters, in order to save the expense of postage. But if the postage was reduced, there is hardly an individual, certainly not a man in business, but would prefer sending his letters by mail, rather than give his friend or acquaintance the trouble of carrying them. Hence, this unequal and burdensome tax excludes daily from the post-office thousands and tens of thousands of letters, which, under a cheaper and more equal system, would be sent by the mails, and thus contribute to swell the revenue of the department. We might enlarge upon this subject, but these suggestions are deemed sufficient to show the practicability of reducing the rates of postage to a much lower rate than they now are.

We have said that it was our object also to show the necessity of a total reform in the post-office department. This we shall endeavor to do in as few words as possible.

1. The present rates of postage should be changed because of their *inequality*. Let us take the following for an example: — The postage on a single letter to Philadelphia is twelve and a half cents, and eighteen and three quarters cents to Baltimore, Providence, and Boston. This is a heavy tax upon the citizens and merchants of those cities, between whom there is an uninterrupted daily correspondence. There is no fairness in making our citizens pay twelve and a half cents for 80 miles, and only twenty-five cents for 2,000 miles! The conveyance of a letter 80 miles cannot cost *half* as much as to carry it 2,000 miles, and, consequently, there can be no justice in requiring us to pay that sum. Why should those who send letters only a short distance, be obliged to pay for those who send their letters to a greater distance? This inequality in the postage of letters should be corrected, even if the rates are not reduced.

There is likewise an inequality in the rates of newspaper and pamphlet postage, which should be corrected. A newspaper, no matter how large the sheet, pays only one and a half cents to any portion of the Union, and the same is charged for the smallest. The mammoth sheet of the papers called the "*New World*," and "*Brother Jonathan*," pay no more than the daily "*Sun*," or "*Whig*," which are not one fourth of their size. Again, should either of those sheets be printed in pamphlet form, and stitched, it would be charged *two and a half cents* as a magazine, and if the same sheet should be issued as an occasional pamphlet it would be charged *six cents!* Is not this an unequal tax upon knowledge, which should be immediately corrected? What good reason can be urged, that a small sheet should pay as much postage as one that is four times heavier and larger; or that because a sheet is folded and stitched, it should therefore pay double and quadruple another that is not? Equity demands a reform in the rates of postage, and he who takes the lead in this salutary measure will deserve well of his country.

2. The *monopoly* character of our post-office system renders it peculiarly obnoxious to animadversion, being wholly at war with the spirit of our free institutions. The post-office department has the sole and exclusive control of transporting letters and papers, and no individual or company is permitted to come into competition with its operations,

without incurring heavy penalties. Were it not for this prohibition, letters might be sent to Philadelphia, Baltimore, and Boston, and other cities of the Atlantic coast, for one fourth of what it now costs, and with equal if not greater expedition and security. If this business was left free to individuals or companies, instead of the government, they could be made responsible for the safe transportation and delivery of letters containing money. The post-office department charges an additional sum for letters containing enclosures, but gives no additional security for their safe delivery; whereas, if the business was thrown open, and others might engage in this business, ample and satisfactory security could be obtained for a safe and expeditious delivery of letters with their contents.

We might here ask, why should the government assume the exclusive right of transporting our letters and papers any more than our persons and articles of trade? With equal propriety might they claim the right of transporting all goods, wares, and merchandise, from city to city, to the exclusion of every other person from engaging in the business, and then charge such rates as they might think proper. There is no one but would instantly exclaim against the injustice and oppression of such an odious monopoly, and yet this monopoly, in relation to the transmission of letters and papers, is submitted to without a murmur, merely because we have been so long accustomed to it.

To many of our readers it may appear strange and heretical doctrine to suggest the idea that we could do as well or better without what is called "the post-office department." Let us suppose, for example, that the clause, giving congress the power "to *establish post-offices and post-roads*," was struck from the constitution; is any one weak enough to believe that the activity of commerce would not soon supply another system equally as efficient and useful? In the language of an eloquent and powerful writer, who has the honor of first starting the idea of a *free trade post-office*, "modes of conveyance would be instituted at once; they would speedily be improved by rival efforts of competition, and would keep pace step by step with the public demand. It may be said that the places far inland and thinly inhabited would suffer by the arrangement. The solitary squatter in the wilderness might not, it is true, hear the forest echoes daily awakened by the postman's horn, and his annual letter might reach him charged with a greater expense than he is now required to pay. But there is no place on the map which would not be supplied with mail facilities by paying a just equivalent; and if they are now supplied for less, it is because the burden of post-office taxation is imposed with disproportional weight on the populous sections of the land. But there is no reason why the east should pay the expense of threading with the mail the thick wildernesses of the west, or of wading with it through the swamps and morasses of the south. This is a violation of the plainest principles of equal rights."

3. The present organization of the post-office department is liable to great abuses, inasmuch as it places in the hands of one individual an immense and dangerous patronage, which may be wielded against the true interests of the people. Under the present system, there are upwards of thirteen thousand post-masters, holding their appointments directly from one man, and removable at his pleasure. Nearly two thousand mail contractors are brought into immediate contact with the head of the de-

partment, and by whose decisions alone contracts are made and fines levied for delinquencies. This numerous army of postmasters and contractors have a multitude of subordinates under their control, and if we include the clerks, carriers, and various other persons more or less dependent for support on this enormous system, it will probably yield an aggregate of not much less than half a million of persons under the immediate direction, to some extent, of a single individual. Will it not be perceived at a single glance that this monstrous power is at all times susceptible of being exerted with the most dangerous effect for the advancement of objects hostile to the true interests of the people?

To use the language of the powerful writer above mentioned, "it is not only the vast means of undue influence which the present system gives to a single federal officer, in enabling him, to some extent, directly to control the suffrages of a numerous body of organized dependents, but the facilities it furnishes for a rapid and simultaneous diffusion of political intelligence which it may be desired to circulate, for the obstruction of that of a contrary tenor, and for the exercise of all the arts of political espionage, also render the post-office, as a branch of government, a dangerous institution. If this is a danger not necessary to be incurred, if the duties which it performs are a matter of trade which might safely be left to the laws of trade, and if the transmission of our letters and newspapers, from place to place, might be submitted with salutary results to the operations of the same principles which now secure the carrying of our merchandise and our persons, there are many who will readily admit that the free trade system, as tending to simplify the offices of government and restraining its powers, would be better than one of political regulation. We are ourselves strongly inclined to the belief, that if the clause in the federal charter which gives to congress the control of the post-office had never been inserted, a better system would have grown up under the mere laws of trade. The present system, let it be conducted as it may, can never, in the nature of things, be wholly free from political abuses, and is always in danger of being converted into a mere political machine. The abuses which are its inevitable attendants will necessarily increase from year to year, as the population swells in numbers and spreads over a wider surface. It must always be managed by political intermediaries and rapacious subordinates, be attended with a vast amount of unnecessary expense, and this expense must be drawn from the people by a method of taxation in utter violation of their equal rights. It is a government machine, cumbrous, expensive, and unwieldy, and liable to be perverted to the worst uses."* B. B.

PUNCTUALITY.—Sell to a man who is punctual in his payments at a less profit than to him who is not. One dollar sure is better than two doubtful, and it will avail you more in an emergency. The way to get credit is to be punctual; the way to preserve it is not to use it too much. Settle often—have short accounts. Trust no strangers;—your goods are better than doubtful charges.—*Foster.*

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* The late William Leggett.

ART. VIII.—MERCANTILE LAW REPORTS.

FORFEITURE OF GOODS.—BRUSSELS AND WILTON RUGS.—SILK TWIST—SEWING SILK.—WORSTED CRAVATS.

IMPORT DUTIES.—Many important cases have been decided during the past year, which have a bearing upon the existing tariff. The cases which follow were reported for the Merchant's Magazine, and may be implicitly relied upon for their correctness and fidelity.

FORFEITURE OF GOODS.

1. *In the United States District Court, before Judge Betts, February* 12, 1840. *The United States* v. *Ten Cases of Merchandise. Hadden & Co., claimants.*

This was an information for the forfeiture of the goods under the three clauses of the penal part of the 14th section of the act of July, 1832. It contained three counts: 1. That the goods on inspection did not correspond with the entry. 2. That the package contained articles not mentioned in the entry, inasmuch as none of the goods in the package were specified in the entry. 3. That the package and invoice were made up with intent to evade or defraud the revenue.

The entry and invoice produced upon the entry were read, in which the goods were described as worsted shawls; also the letter of the shippers to the claimants was produced by them and read on the part of the United States, stating, that in great confidence of the integrity and high standing of the claimants, the shippers had opened a business with them, by the consignment of ten cases worsted shawls, and a case of printed cotton handkerchiefs.

The evidence for the prosecution farther showed, that upon inspection the goods were shawls composed of cotton and worsted; all the goods were of the same kind; and the materials were palpably to be discovered, and nothing in the way of concealment appeared.

The Court then suggested, that as it had been decided by the Circuit Court that the act of congress did not contain words imposing any forfeiture for the goods not corresponding with the entry, (owing apparently to the accidental omission of words of forfeiting in the law,) there need be no discussion as to the first count, seeking the forfeiture on that ground. The claimants' council offered to waive any objection on this ground, and asking to have that question tried, as they were prepared to show that the goods were invoiced and entered under their usual and appropriate name in trade. They were therefore desirous in the present suit to have the law pronounced, that in case of the non-correspondence alleged, the goods were forfeited; but the Court said, that it was not at liberty to lay down law by consent contrary to the decision by which the Court was bound.

The claimants' counsel then contended, that under the second count, charging that the package contained articles not in the entry, reference was had not to a misdescription of the whole contents of the package, but to an omission of some part of the contents in the entry; that a misdescription of the whole was the case intended in the first clause of the statute, and therefore was not included in the second. The district attorney insisted, that the misdescription of one article in a case was within the act, and much more a misdescription of every article.

The Court ruled, that the act of 1832, in question, is to be construed in connexion with the act of 1830, of which it is emendatory. By the act of 1830 the omission of an article in the package from the entry, subjected the whole package to forfeiture; by the act of 1832 this was repealed, and the omission of an article only subjected that article to forfeiture; clearly showing that a forfeiture of the whole package was not intended by this clause of the act, but to have been contemplated in the first clause; and as the proposition in the present case was to forfeit every article, in other words, the whole package, not for any omission of a part, but a misdescription of the whole, the forfeiture could not be claimed under the second clause of the statute; and, therefore, that the second count of the information might be laid out of view.

The district attorney then claimed that the evidence was sufficient, unless contradicted, to claim a forfeiture under the third count, charging the invoice to be made up with intent to evade or defraud the revenue; since by the description in the invoice the goods would have passed free, while in fact they were liable to a duty of 25 per cent. The claimants' counsel insisted, that under this third clause of the statute, the information was too vague and uncertain to allow of a forfeiture, since it did not show in what the intent to evade or defraud existed, nor by what means it was attempted. They also contended, that under the third clause of the act, the United States could not claim a forfeiture for the same faults as were embraced under the first or second clauses, by merely showing the intent in addition; since the two first clauses embraced the cases whether the intent were fraudulent or not.

The Court. This third count alleges the offence in the words of the law, and that, in form, is sufficient.

It is not clear, nor is the Court of opinion, that if the case fall within the second clause, and an article in a package had been omitted from the entry, appearing to have been thus omitted through a fraudulent intent, it would not create a forfeiture under this third clause of the act and this count of the information grounded on it. The Court considers, that if such omission were accompanied with circumstances of concealment, or other matters, showing the package or invoice made up fraudulently, it would under this third clause forfeit the whole package.

But here it is not the case of any omission; it is a description of the whole package; all the goods are entered, but, as is alleged, under a wrong description. This is not the offence contemplated in the second clause, nor is it punished with forfeiture in the first; and this misdescription, therefore, is not of itself competent evidence, without other proof of circumstances of concealment or art to disguise, from which the jury can legally infer fraud.

The Court, therefore, directed the jury that the evidence was not competent to warrant a conviction under the count charging fraudulent intent, and the jury acquitted the goods.

The district attorney made a bill of exceptions to the several decisions.

B. F. Butler, district attorney. D. Lord, jr., W. Q. Morton, and A. Hamilton, for claimants.

BRUSSELS AND WILTON RUGS.

2. *In the Circuit Court of the United States, before Judge Betts, January 23, 1840. David Hadden and others* v. *Hoyt.*

The plaintiffs had, during 1838 and 1839, imported various parcels of Brussels and Wilton rugs. The defendant, collector of the customs at New York, had exacted duties upon these importations at the rate of 50 per cent. *ad valorem* as manufactures of wool. The plaintiffs insisted that they were an article not enumerated in the act of 1816, (3 Story, 1587,) and therefore by it charged with 15 per cent. *ad valorem*, and so, under the act of 1832, (4 Story, 2322,) rendered free. The defendant contended that they were subject to duty as a manufacture of wool, or as carpets or carpeting, under the act of 1832.

The plaintiffs proved the payment of the duties under protest against the rate exacted, and that the articles were rugs, composed of linen and worsted, without any wool.

It appeared that the article was usually manufactured by carpet manufacturers, although in some instances by manufacturers of this article only; that it was made in the same manner as carpets, only the patterns were different, having a border all around the piece laid out for a single rug; that in the piece they were woven with selvages between every length of a rug, which selvages had not the raised figure or filling, and were so left to separate the pieces, and sometimes to have a fringe sewed on; that a piece woven for rugs would not serve for a carpet, both by reason of the figure and the selvages; that in the trade, rugs were not known as carpets or carpeting, but bore a distinct name and had a particular use; that in trade, carpets were pieces of carpeting woven so as to form a pattern for a room or space of given dimensions, sometimes made up by sewing, sometimes woven in its shape,—carpeting was the cloth woven for carpets in the piece, and to be made into carpets of any size. The witnesses stated that under an order for carpets or carpeting they would not expect, accept, or furnish rugs, nor *vice versa*. That carpets were sometimes cut in pieces, and had fringes sewed around, when they were sold and called rugs, but they were not imported in this manner.

The district attorney conceded that upon the evidence the jury must find that the articles in question were not carpets or carpeting, nor chargeable with duty as a manufacture of wool. But he insisted that they were a manufacture of which flax was a component part, and so liable, under the act of 1824, (3 Story, 1943,) to a duty of 20 per cent. *ad valorem*, reduced by the 2d section of the act of 1832 to 15 per cent. *ad valorem*.

The Court was of this opinion, and so charged the jury.

Verdict for the plaintiffs, $1,436 64. D. Lord, jr., for plaintiffs. B. F. Butler, district attorney, for defendants.

SILK TWIST—SEWING SILK.

3. *In the Circuit Court of the United States, before Judge Betts, January 22, 1840. S. and F. Dorr & Co.* v. *Hoyt.*

The defendant, collector of the customs at New York, had exacted from the plaintiffs duties at the rate of 40 per cent. upon silk twist, imported by the plaintiffs during the year 1839, insisting on the right to duty as on sewing silk. The plaintiffs paid the duty, protesting against the right to exact any duty, and brought this suit to recover back the duty.

The plaintiffs insisted that the twist was a manufacture of silk, and as such, made free by the 4th section of the act of March 2, 1832, (4 Story, 2338.) The plaintiffs proved that the article in question was known in trade, among importers, dealers, and consumers, as twist, and not as sewing silk; that although made wholly of silk, and used only for sewing, yet it was a different article from sewing silk, and they could not both be used for the same purposes.

The Court charged, that if the article was known in commerce as sewing silk, then the verdict must be for the defendant; but if not, then, as it was a manufacture of silk, it was free. That it was for them to determine whether the article was known in commerce under the name of sewing silk or not. If it was not, then, although it was composed of silk and used for sewing, it was free.

The jury found for the plaintiffs.

D. Lord, jr., for plaintiffs. B. F. Butler, district attorney, for defendant.

WORSTED CRAVATS.

4. *Circuit Court of the United States, Judge Betts presiding, January* 22, 1840. *S. & F. Dorr & Co.* v. *Hoyt.*

This was an action for money had and received by the defendant, collector of the customs at New York, and paid to him by the plaintiffs, as duties on certain importations of *worsted cravats;* the duties had been exacted and paid at the rate of 50 per cent. *ad valorem,* classing the goods as *a manufacture of wool,* or as *ready-made clothing,* under the act of July 14, 1832, section 2, class 2.

The plaintiffs claimed them to be free; being, under the act of 1816, a non-enumerated article, subject to a duty of 15 per cent., and, consequently, by act of 1832, (4 Story, 2322,) section 2, rendered free of duty.

The goods were proved to be worsted, and woven on the stocking frame, and were dealt in principally by dealers in hosiery.

The counsel of the defendant proved that the goods usually went in commerce by the name or class of hosiery. He admitted that they were not subject to the duty of 50 per cent., as ready-made clothing, or manufactures of wool, but insisted that they were not free of duty, but were chargeable with the duty on hosiery.

The counsel of the claimants assented to these views.

The Court charged, that the goods were liable to duty as hosiery, and that the excess over the hosiery duty must be found for the plaintiffs.

Verdict for plaintiffs, $1,321.

D. Lord, jr., for plaintiffs. B. F. Butler, district attorney, for defendant.

Dividend List for 1840.—Under this title, Coolidge and Lambert, 57 Wall street, have published a sheet, giving the titles of the various bank, trust, insurance, rail-road, and miscellaneous stocks, the amount of capital, value of shares, dividend months, and the semi-annual dividends for 1838, 1839, and 1840. It is compiled by J. N. Williams, and must prove a valuable table of reference for those who buy or sell city stocks.

Art. IX.—THE BOOK TRADE.

1. *A Supplementary Catalogue of the Books belonging to the Mercantile Library Association; comprising all those added from July,* 1837, *to January,* 1840. New York. Printed for the Association.

The catalogue to which this is supplementary was published in 1837, and is comprised in a volume of 312 octavo pages. In 1838 another supplement was published of 56 pages. At the first opening of the institution, the collection of books amounted to about seven hundred volumes, derived principally from personal donation. In 1821, the number had increased to one thousand. In 1826, to two thousand two hundred volumes. The library has steadily and rapidly increased, and now numbers about *twenty-two thousand volumes.* The arrangement of the present supplement differs in many particulars from that adopted in other catalogues of the library, inasmuch that preference is given to the alphabetical order in each division; and this, we are informed by the compiler, Mr. Delf, has been done, from a conviction that it offers to the readers, for whose use it is prepared, advantages over any arbitrary scientific classification, which, however useful to those advanced in knowledge, is obviously unfitted for others who are but entering its domain. The notes introduced by the editor for the purpose of attracting attention to neglected works, as well as to aid those who have given indications of a desire to cultivate a taste for other than the ephemeral productions of the day, are generally judiciously selected from reputable authorities. On the whole, the taste and industry displayed in the arrangement of the supplement, is creditable to the compiler.

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2. *Civil Office, and Political Ethics. Containing familiar Law relating to Husband and Wife, Parent and Child, Guardian and Ward, Wills, Executors and Administrators, Witnesses, Jurors, and Arbitrators. For the Use of Citizens and Schools.* By E. P. Hurlburt. New York: Taylor & Clement.

This appears to be a very accurate, useful work, and great praise is due to the author and the publishers for offering our "citizens and schools" this necessary knowledge, in a form at once concise and intelligible. The chapters on "The judicial powers of the United States," and on "The rights of citizens and inhabitants of the state of New York," are important to the merchant.

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3. *Civil Polity and Political Economy. For the Use of Schools and Academies.* By Marcius Willson. New York: Taylor & Clement.

This work presents, in a concise manner, the first principles of constitutional law and political economy. It should be studied in every school, and read by every citizen. The principles of civil polity and political economy are level to the capacities of youth, and therefore should be taught to youth. Our schools have too long neglected these necessary branches of a republican education.

COMMERCIAL REGULATIONS.

TARIFF OF TEXAS, AS MODIFIED BY THE SECOND CONGRESS.

Apples	25
Almonds, per lb.	3
Axes, Hoes, Ploughs, Harrows, &c., for purposes of husbandry	free
Arms—Fire-arms and Ammunitions of War, of all descriptions	free
Bacon	free
Bread Stuffs of all kinds	free
Bale Rope	free
Barley and Corn, &c.	free
Beef, pickled	free
Butter, per lb	6¼
Beets	free
Beans	free
Books and Stationery	free
Baggage in actual use	free
Boots and Shoes	25
Brass, all articles of which it forms a component part	20
Building Stone, Bricks, Slates and Tiles	free
Brushes of all kinds	30
Carts	free
Corn	free
Coffee	free
Cinnamon, per lb	10
Cloves	10
Candles, Tallow	2
" Spermaceti	3
" Wax	4
Cotton, all articles of which it forms a component part	10
Cotton Bagging	free
Clothing, wearing apparel in actual use	free
Wearing apparel ready made, otherwise imported than for actual use	30
Copper, all articles of which it forms a component part	20
Carriages for pleasure	25
Drays	free
Cards for playing	50
Coal	free
Corks, per lb	12½
Combs, of all descriptions	25
Cordage	2
Dry Goods—Wool, all articles of which it forms a component part.	25
Drugs and Medicines of all descriptions	20
Earthen Ware	20
Fish—Cod per lb	1
Mackerel, per bbl	1 50
Salmon	2 00
Herrings	1 00
" in boxes per 100 lbs.	1 00
" per 100 lbs	1 00
Shad, per bbl	1 50
Flour	free
Fruits—Apples and Peaches	25
Raisins, per lb	1
Filberts	3
Figs	3
Almonds	3
Peaches in spirits	25
Farming Utensils	free
Furniture of all classes	free
Groceries not enumerated under their respective heads	25
Glass and Glass Ware	20
Hats, of all descriptions	25
Household furniture	free
Harness	free
Iron, implements for purposes of husbandry	free
Iron and Steel	free
" Bar, per 100 lbs	free
All other articles of which Iron or Steel form a component part, not enumerated	20
Implements brought in by emigrants for their own use	free
Ivory	20
Jewellery	33⅓
Liquors, see articles of Malts of all descriptions	free
Liquors in bottles, per doz	2 00
Linen, all articles of which it is a component part	25
Leather, all articles of which it forms a component part	25
Lumber	free
Molasses or Syrup, per gallon	5
Mustard	25
Medicines and Drugs of all descriptions	20
Munitions of war of all descriptions, and fire arms	free
Machinery of all kinds	free
Nails and Screws, per 100 lbs	1 00
Oats	free
Onions	free
Oils, salad	15
Spermaceti, Whale, Rape, and Lin seed	25
Provisions, see article of.	
Pork, pickled	free
" salted or smoked	free
Potatoes	free
Pepper, per lb	5
Pickles	25
Peaches	25
" preserved in spirits	25
Pewter, all articles of which it forms a component part	20
Paints of all descriptions	20
Paper	free
Rice	free

Raisins, per lb	3
Rum, see Spirits.	
Rope, bale and cordage, per lb	2
Sugar	free
Spices — Pimento	5
Soap — yellow	4
Other kinds	25
Salt	free
Spirits—Brandy, 1st and 2d proof, per gall	50
Spirits, 3d and 4th proof	62½
Gin, same as Brandy.	
Rum, do.	
Whiskey 1st and 2d proof, per gall.	25
3d and 4th	37½
All other Spirits not enumerated, including Cordials and Liquors of all kinds, will pay the same duty as Brandy.	
Silk, all articles of which it forms a component part	30
Syrup, per gallon	5
Screws, per 100 lbs	1 00
Stone, for building	free
Slates	free
Seeds of all descriptions	free
Salt Petre, per lb	6¼
Tongues, neat, pickled and smoked,	free
Tea	free

Tools of trade, in actual use	free
Of all descriptions, for carpenters, cabinet makers, joiners, and black-smiths	15
Tin, all articles of which it forms a component part	20
Tiles, for building	free
Tobacco—Segars, per 1000	2 50
In any other form than in Segars	30
Vinegar	free
Wheat	free
Wines—Claret, per gallon	25
Other red French	25
Oporto or Port	37½
French Wine	25
Champaigne	1 00
In bottles, per doz	2 00
Madeira, per gallon	75
Teneriffe	37½
Spanish White	25
Spanish Red	25
German Hock, Rhenish, &c.	50
Wines, all others in bottles, per doz	1 50
Wool, all articles of which it forms a component part	25
Wagons	free
Wares — Glass and Earthen	20

All other articles not above enumerated shall pay a duty of 25 per cent. *ad valorem.*

Masters of Vessels, and all persons concerned in the shipment of Goods, Wares, and Merchandise, are notified, that the rules and regulations of the Custom House in the United States will be adopted in this Republic, so far as applicability of the law and circumstances will permit. All the reports, therefore, presented to the office of the Custom House at Galveston, will be required to be made in due form. Business hours from 9 A. M. till 4 P. M., except on Sunday. G. BORDEN, Collector.

AN ACT, to amend an Act to raise a Revenue by Impost Duties. SEC. 1st. *Be it enacted by the Senate and House of Representatives of the Republic of Texas in Congress assembled,* that from and after the passage of this act, the following articles may be imported into this Republic free of duty, to wit: sugar, coffee, tea, salt, flour and all kinds of bread stuffs, pickled pork, bacon, iron and steel, household furniture, cotton bagging, bale rope, books and stationery, machinery of all kinds, wagons, carts, and harness, with farming utensils, lime and lumber, and implements brought in by emigrants for their own use.

SEC. 2d. *Be it farther enacted,* that from and after the passage of this act, on all dry goods manufactured of cotton, or of which cotton forms a component part, a duty of ten per cent. *ad valorem* shall be levied and collected: all other goods shall be subject to, and pay the duties laid down in the law passed 2d June, A. D. 1838.

DUTIES AT JAMAICA.

Provisions of the Foreign Duty Bill lately passed by the Colonial Legislature of Jamaica, on most of the Articles taxed. From the Cornwall Chronicle of December 14th, 1839.

For every article of wheat flour not weighing more than 196 lbs. nett weight	2s	6d
For every hundred weight of biscuit or bread	1	6
For every barrel of flour or meal, not weighing more than 196 lbs., not made from wheat	2	6
For every bushel of wheat, peas, rye, calavances, oats, or barley	1	6
Rice, for every 112 lbs. weight	2	6
For every thousand shingles, not more than twelve inches in length,	7	6
For every thousand shingles, being more than twelve inches in length	11	6

For every hundred red oak staves	15	0
For every thousand white oak staves or heading	12	6
For every thousand feet of pitch pine, white or yellow pine lumber, of one foot thick	21	0
Other kinds of lumber wood, (cedar, logwood, fustic, and mahogany excepted,) per thousand feet	28	0
For every thousand wood hoops	5	3
Beef and pork, salted beef of all sorts, for every 122 lbs. weight	12	8

COMMERCIAL STATISTICS.

COMMERCE OF THE UNITED STATES.

Appended to the Treasury Report, as communicated to congress, is the following statement, exhibiting the value of imports and exports of the United States, in six successive years, ending 30th September last. The amount of imports during the past year has surprised every one, being greater than in any former year, except the great speculation year, 1836. On the other hand, the amount of exports has been greater than in any former year, except 1835 and 1836.

VALUE OF IMPORTS.

Years.	*Free of Duty.*	*Paying Duty ad valorem.*	*Paying specific Duties.*	*Total.*
1834	68,393,180	35,608,208	22,519,944	126,521,332
1835	77,940,490	45,817,740	26,137,509	149,895,742
1836	92,056,481	59,343,380	38,580,160	189,980,035
1837	69,250,031	37,716,374	34,022,812	140.960,217
1838	60,860,005	27,090,480	25,766,919	113,717,404
1839	72,040,719	42,563,739	43,605,100	157,609.560

VALUE OF EXPORTS.

Years.	*Domestic Produce.*	*Foreign Merchandise.*	*Total Value of Exports.*	*Value of Imports.*
1834	81,024,160	23,312,811	104,336,013	126,521,332
1835	101,189,082	20,504,495	121,693,577	149,895,742
1836	106,916,080	21,746,360	128,663,040	189,980,035
1837	95,564,414	21,854,962	117,419,386	140,960,217
1838	96,033,821	12,563,795	108,496,616	113,717,404
1839	100,951,004	17,408,000	118,359,004	157,609,560

PENNSYLVANIA ANTHRACITE COAL TRADE.

Comparative Statement of the Quantity of Coal shipped from the different Coal Regions in Pennsylvania, from the Commencement of the Trade, in 1820, *to January 1st,* 1840.

Year.	*Schuylkill.*	*Lehigh.*	*Lackawana.*	*Aggregate.*	*Year.*	*Schuylkill.*	*Lehigh.*	*Lackawana.*	*Aggregate.*
1820	....	365	....	365	1830	89,984	41,750	43,000	174,734
1821	....	1,073	....	1,073	1831	81,854	40,966	54,000	176,820
1822	....	2,240	....	2,240	1832	209,271	75,000	84,600	368,871
1823	....	5,823	....	5,823	1833	250,588	123,000	111.777	485,365
1824	....	9,541	....	9,541	1834	226,692	106,244	43,700	376,636
1825	5,306	28,393	....	33,699	1835	335,685	131,250	90,000	556.935
1826	16,835	31,280	....	48,115	1836	443,754	146,502	106,270	696,526
1827	29,493	32,074	....	61,567	1837	535,250	223,902	115,387	874,539
1828	47,181	30,232	....	77,413	1838	434,684	212,831	76,321	723,836
1829	78,293	25,110	7,000	110,403	1839	442,608	220,645	122,300	785,553

From this statement, it appears, that anthracite coal was first used as fuel (on tide water) in 1820; and, dividing the twenty years since that date into four periods of five years each, the quantity brought from the Schuylkill, Lehigh, and Lackawana mines, in the first period, ending with the close of the season of 1824, was 19,042 tons.

Second period, ending 1829	331,197
Third " " 1834	1,582,426
Fourth " " 1839	3,637,369
Making	5,570,054

Which shows an average quantity, for the first five years, of 3,808 tons per ann.

Second five years	66,239	" "
Third "	316,485	" "
Fourth "	727,479	" "

and that nearly twice as much has been consumed in the last five years, as there was in the preceding fifteen years. A new impetus has been given to its consumption in that period, by the increased safety and economy with which it has been successfully introduced and used in steamboats, and locomotive engines on rail-roads.

CHARGES ON A BALE OF COTTON AT MOBILE.

A Statement of the Charges incurred at the Port of Mobile, exclusive of Insurance, calculated on a Bale of 420 *Pounds, with Freight at ¾d., and Prices at the present Rates.*

Wharfage, per bale	10c	
Weighing	12½	
Draying to press	12½	
Storage, average, say	20	
Factor's commissions, average this season	80	
Add for freight to city	$1 50	
Chargeable to planter		$2 85
Brokerage	25	
Storage until compressed	12½	
Drayage to vessel or lighter	8	
Wharfage	10	
Commission on purchase, average, say	80	
Freight and primage, say	$6 64½	
Chargeable to purchaser		$8 00
Compressing	80	
Lighterage to lower bay	25	
Stowing, (done by the day,) say	25	
Chargeable to vessel		$1 30
Total charges on a bale		$12 15
Add port charges at Liverpool		6 00
Total, on both sides, per bale		$18 15

MISCELLANEOUS STATISTICS.

POPULATION AND PROPERTY OF THE CITIES OF NEW YORK.

A Statement showing the Population, and also the aggregate Valuation of the Real and Personal Estate, in the several Cities in the State of New York, in each year since 1815. *Compiled from the Comptroller's Report, January* 14, 1840.

BROOKLYN.

	Year.	*Pop'ltion.*	*Real & personal estate.*		*Year.*	*Pop'ltion.*	*Real & personal estate.*
U. S. Census,	1834	Incorp'd.	15,648,290	State Census,	1837	24,529	26,895,074
State Census,	1835	24,529	26,390,151	..	1838	..	25,193,956
..	1836	..	32,428,942	..	1839	..	25,440,634

NEW YORK CITY.

	Year.	*Popl'lion.*	*Real & personal estate.*		*Year.*	*Pop'llion.*	*Real & personal estate.*
State Census,	1816	95,519	82,074,200	State Census,	1828	166,086	114,019,533
..	1817	..	78,805,735	..	1829	..	112,526,016
..	1818	..	80,254,091	U. S. Census,	1830	203,007	125,288,518
..	1819	..	79,113,061	..	1831	..	139,280,214
U. S. Census,	1820	123,706	69,530,753	..	1832	..	146,302,618
..	1821	..	68,285,070	..	1833	..	166,495,187
..	1822	..	71,289,144	..	1834	..	186,548,511
..	1823	..	70,940,820	State Census,	1835	270,089	218,723,703
..	1824	..	83,075,676	..	1836	..	309,500,920
State Census,	1825	166,086	101,160,046	..	1837	..	263,747,350
..	1826	..	107,447,781	..	1838	..	264,152,941
..	1827	..	112,211,926	..	1839	..	266,882,430

ALBANY.

	Year.	*Pop'llion.*	*Real & personal estate.*		*Year.*	*Pop'llion.*	*Real & personal estate.*
State Census,	1816	10,023	5,430,636	State Census,	1828	15,971	7,201,781
..	1817	..	8,067.991	..	1829	..	7,264,710
..	1818	..	8,089,196	U. S. Census,	1830	24,238	....
..	1819	..	4,063,030	..	1831	..	8,420,127
U. S. Census,	1820	12,630	4,156,617	..	1832	..	....
..	1821	..	3,970,076	..	1833	..	....
.	1822	..	3,953,579	..	1834	..	9,179,773
..	1823	..	2,574,784	State Census,	1835	28,109	9,618,798
..	1824	..	6,479,943	..	1836	..	9,649,477
State Census,	1825	15,971	6,658,810	..	1837	..	9,680,531
..	1826	..	6,758,065	..	1838	..	9,325,986
..	1827	..	7,170,058	..	1839	..	9,707,634

TROY.

	Year.	*Pop'llion.*	*Real & personal estate.*		*Year.*	*Pop'llion.*	*Real & personal estate.*
State Census,	1816	Incorp'd.	1,621,670	State Census,	1828	7,859	3,609,741
..	1817	4,841	1,856,496	..	1829	..	3,552,629
..	1818	..	1,818,595	U. S. Census,	1830	11,605	3,857,793
..	1819	..	1,378,350	..	1831	..	4.124,757
U. S. Census,	1820	5,264	1,344,750	..	1832	..	4.221,604
..	1821	..	1,264,520	..	1833	..	4,348,892
..	1822	..	1,282,170	..	1834	..	4,500,393
..	1823	..	2,464,285	State Census,	1835	16,959	4,879,241
..	1824	..	2,609,345	..	1836	..	5,515,091
State Census,	1825	7,859	3,143,143	..	1837	..	5,303,578
..	1826	..	3,409,678	..	1838	..	5,496,269
..	1827	..	......	..	1839	..	5,532,392

ROCHESTER.

	Year.	*Pop'llion.*	*Real & personal estate*		*Year.*	*Pop'llion.*	*Real & personal estate.*
U. S. Census.	1834	Incorp'd.	2,587,215	State Census,	1837	14,404	4,065,611
State Census,	1835	14,404	2,908,412	..	1838	..	4,097,875
..	1836	..	3,467,253	..	1839	..	4,335,083

BUFFALO.

	Year.	*Pop'ltion.*	*Real & personal estate.*		*Year.*	*Pop'ltion.*	*Real & personal estate.*
U. S. Census,	1832	Incorp'd.	990,000	State Census,	1836	15,661	4,865,837
..	1833		3,086,115	..	1837	..	5,785,837
..	1834		2,245,450	..	1838	..	5,985,857
State Census,	1835	15,661	4,092,255	..	1839	..	6,252,943

UTICA.

	Year.	*Pop'ltion.*	*Real & personal estate.*		*Year.*	*Pop'ltion.*	*Real & personal estate.*
U. S. Census,	1832	Incorp'd.	2,716,225	State Census,	1836	10,183	2,973,368
..	1833		2,819,634	..	1837	..	3,256,619
..	1834		2,820,013	..	1838	..	3,349,881
State Census,	1835	10,183	2,957,370	..	1839	..	3,569,057

SCHENECTADY.

	Year.	*Pop'ltion.*	*Real & personal estate.*		*Year.*	*Pop'ltion.*	*Real & personal estate.*
State Census,	1816	7,134	1,448,584	State Census,	1828	4,068	660,513
..	1817	..	1,560,155	..	1829	..	....
..	1818	..	1,377.211	U. S. Census,	1830	4,258	....
..	1819	..	1,320,073	..	1831	..	698.863
U. S. Census,	1820	3,939	1,220,073	..	1832	..	656,529
..	1821	..	622,024	..	1833	..	831,804
..	1822	..	614,774	..	1834	..	865,679
..	1823	..	725,544	State Census,	1835	6,272	1,046,989
..	1824	..	704.841	..	1836	..	1,121,290
State Census,	1825	4,068	767,934	..	1837	..	1,297,261
..	1826	..	650,856	..	1838	..	1,355,809
..	1827	..	664,756	..	1839	..	1,839,872

HUDSON.

	Year.	*Pop'ltion.*	*Real & personal estate.*		*Year.*	*Pop'ltion.*	*Real & personal estate.*
State Census,	1816	4,725	1,252,475	State Census,	1828	5,004	1,653,250
..	1817	..	1,803,630	..	1829	..	1,524,770
..	1818	..	1,663,678	U. S. Census,	1830	5,392	1,503,270
..	1819	..	1,079,785	..	1831	..	1,741,820
U. S. Census,	1820	5,310	974,940	..	1832	..	1,814,380
..	1821	..	939,792	..	1833	..	1,666,123
..	1822	..	915,145	..	1834	..	1,832,063
..	1823	..	1.188,201	State Census,	1835	5,531	1,795,292
..	1824	..	1,218,701	..	1836	..	1,343,660
State Census,	1825	5,004	1,755,942	..	1837	...	1,121,050
..	1826	.	1,150,701	..	1838	..	981,100
..	1827	..	1,613,300	..	1839	..	1,201,600

BANK STATISTICS.

Table showing the principal Items of the Bank Statements of all the Chartered Banks of the State, for the last five years.

	Jan. 1, 1836. 86 *Banks.*	*Jan.* 1, 1837 98 *Banks.*	*Jan.* 1, 1838. 95 *Banks.*	*Jan.* 1, 1839. 96 *Banks.*	*Jan.* 1, 1840. 96 *Banks.*
Capital	31,281,461	37,101,460	36,611,460	36,801,460	36,801,460
Circulation	21,127,927	24.198,000	12,432,478	19,373,149	10,629,514
Canal Fund	3,445,753	3,768.874	4,465,832	3,291,713	3,100,138
Deposits	19.116,170	19,342,698	15,771,729	18,370,044	16,051,391
U. States Deposits	9,291,539	10,791,596	....	....	....
Due Banks	19,783,482	20,462,823	15,221,487	15,344,098	7,055,584
Loans and Discounts,	72,469,282	79,313,188	60,999,770	68,300,486	52,788,206
Stocks	803,159	1,794,152	2,795,207	911,623	3,653,170
Specie	6,224,646	6,557,020	4,139,732	6,602,708	5,864,634
Bank Notes	10,237,574	12,487,610	3,616,918	3,907,137	4,401,400
Cash Items	1,277,886	3,268,648	618,277	2,838,694	2,310,161
Due from Banks	15,991,168	18,832,254	18,297,899	14,122,940	6,543,125

Statement of all the Chartered Banks of the State of New York, distinguishing between those located in the City of New York and elsewhere, January 1*st,* 1840.

RESOURCES.

	Twenty-two N. York City Banks.	*Twenty-eight Long Island & North River Banks.*	*Forty-six country B'ks & two branches.*	*Total.*
Loans and Discounts	26,900,173	10,999,680	14,888,353	52,788,206
Real Estate	1,514,788	551,224	871,683	2,937,695
Stocks	3,360,336	171,269	121,565	3,653,170
Overdrafts	82,669	31,927	34,781	149,377
Expenses and Personal Estate,	194,485	258,874	71,267	524,626
Bank Fund	443,415	158,529	218,494	820,438
Specie	4,495,137	660,360	709,137	5,864,634
Notes of other Banks	3,231,103	712,660	457,637	4,401,400
Checks and Cash Items	1,983,596	205,151	121,414	2,310,161
Due from b'ks & corporations,	3,130,386	1,727,203	1,685,536	6,543,125
Other Investments	43,544	64,608	....	108,152
				80,100,984

LIABILITIES.

Capital	20,161,200	7,285,260	9,355,000	36,801,460
Circulation	4,028,737	2,070,029	4,530,748	10,629,514
Loans on time	226,610	100.000	....	326,610
Due to Canal Fund	1,511,914	499,443	1,088,781	3,100,138
Profits	2,457,338	1,466,172	1,444,326	5,367,836
Deposits on debts	20,959	106,898	218,750	346,607
Dividends unpaid	293,229	20,936	107,679	421,844
Deposits	12,455,801	1,813,060	1,782,530	16,051,391
Due other b'ks & corporations,	4,223,844	2,179,687	652,053	7,055,584
				80,100,984

A Table showing the condition of the five Banks in the state of New York not subject to the Bank Fund Law.

RESOURCES.

	Manhattan Company.	*Fulton Bank.*	*North River Bank.*	*Chemical Bank.*	*Comm'cial Bank of Albany.*
Loans and Discounts.....	2,414,722	940,022	819,003	770,439	597,924
Real Estate..............	395,229	13,206	36,850	2,500	50,788
Stocks..................	601,839	....	20,000	....	....
Expenses & personal estate,	....	4,707	....	5,188	187,359
Specie..................	596,903	123,613	63,307	62,385	47,618
Notes of other Banks.....	191,834	76,355	45,236	45,983	218,640
Checks and Cash Items...	478,550	....	18,327	11,497	....
Due from other Banks....	330,807	109,139	79,554	61,575	184,895
Other Investments........	43,544	....	....	....	64,608
	5,053,428	1,267,042	1,082,277	959,572	1,351,832
LIABILITIES.					
Capital..................	2,050,000	600,000	500,000	400,000	300,000
Circulation..............	207,995	100,443	161,671	143,970	78,373
Profits..................	119,031	138,859	72,337	71,699	203,647
Dividends unpaid.........	....	3,380	....	259	....
Due Canal Fund.........	721,247	....	86,000	....	16.600
Deposits	1,619,697	260,329	232,064	323,364	402,614
Due other Banks.........	335,458	164,031	30,205	20,280	350,598
	5 053,428	1,267,042	1,082,277	959,572	1,351,832

Aggregate Statement of ninety-one Banks subject to the Bank Fund Law, as reported to the Bank Commissioners, January 1, 1840.

RESOURCES.

	Eighteen New York City Banks.	*Seventy-three Country Banks.*	*Total.*
Loans and Discounts...............	21,935,987	25,290,109	47,246,096
Real Estate........................	1,067,003	1,372,119	2,439,122
Stocks............................	2,738,497	292,834	3,031,331
Overdrafts........................	82,669	66,708	149,377
Expenses and Personal Estate......	184,590	142,782	327,372
Bank Fund........................	443,415	377,023	820,438
Specie	3,648,929	1,321,879	4,970,808
Notes of other solvent Banks........	2,871,690	951,657	3,823,347
Checks and other Cash Items........	1,475,222	326,565	1,801,787
Funds in New York and Albany....	....	2,255,844	2,255,844
Due from other banks & corporations,	2,549,311	972,000	3,521,311
			70,386,833
LIABILITIES.			
Capital	16,611,200	16,340,260	32,951,460
Circulation........................	3,414,658	6,522,404	9,937,062
Loans on time.....................	226,610	100,000	326,610
Due to Canal Fund................	704,667	1,571,624	2,276,291
Profits...........................	2,055,412	2,706,851	4,762,263
Deposits on debts..................	20,959	325,648	346,607
Dividends unpaid..................	289,590	128,615	418,205
Deposits..........................	10,020,347	3,192,976	13,213.323
Due other Banks and Corporations..	3,673,870	2,481,142	6,155,012
			70,386,833

Aggregate Statement of all the Chartered Banks of the State of New York, on the 1st of January, 1840.

RESOURCES.

	Ninety-one Safety Fund Banks.	*Five Banks not Safety Fund.*	*Total.*
Loans and Discounts	47,246,096	5,542,110	52,788,206
Real Estate	2,439,122	498,573	2,937,695
Stocks	3,031,331	621,839	3,653,170
Overdrafts	149,377	....	149,377
Expenses and Personal Estate	327,372	197,254	521,626
Bank Fund	820,438	....	820,438
Specie	4,970,808	893,826	5,864,634
Notes of other solvent Banks	3,823,347	578,053	4,401,400
Checks and other Cash Items	1,801,787	508,374	2,310,161
Due from other banks & corporations,	5,777,155	765,970	6,543,125
Other Investments	....	108,152	108,152
			80,100,984
LIABILITIES.			
Capital	32,951,460	3,850,000	36,801,460
Circulation	9,937 062	692,452	10,629,514
Loans on time	326,610	....	326,610
Due Canal Fund	2,276,291	823,847	3,100,138
Profits	4,762,263	605,573	5,367,836
Deposits on debts	346,607	....	346,607
Dividends unpaid	418,205	3,639	421,844
Deposits	13,213,323	2,838,068	16,051,391
Due other Banks and Corporations	6,155,012	900,572	7,055,584
			80,100,984

TO READERS AND CORRESPONDENTS.

Several papers intended for the present number, received too late, or omitted for want of space, will probably appear in the April issue. Among them are:—1. The Commercial League of the Hanse Towns, by E. W. Stoughton, Esq.—2. Fraud upon Underwriters, by James Bergen, Esq.—3. Suggestions on the Law of Auctions, No. III., by Francis Brinley, Esq., of New York; and the first of a series of papers, prepared by the same gentleman, on the laws relative to debtor and creditor in the several states. The first of the series presents, in a clear and comprehensive form, the "means of enforcing debts against the citizens of Maine," which will be followed by similar expositions of the latest statute laws of the other states. These articles will, we are confident, prove very useful to a large portion of the mercantile community. We have also been compelled to crowd out a great number of important legal decisions, furnished for publication in this Magazine by Judge Hopkinson, of the United States District Court, Daniel Lord, jr., Esq., of New York, and P. W. Chandler, Esq., of the Law Reporter, etc., which will be published at our earliest convenience.

The Salamander Safe.—Mr. Enos Wilder, of this city, is the patentee of a safe, for the preservation of books and papers against fire, which, we are satisfied, is all that it purports to be — a perfect security from that destructive element, fire. We shall, in a succeeding number of the Magazine, give a more extended notice of this important invention, which has already passed through a " fiery ordeal," and found to be superior to any thing of the kind now in use.

HUNT'S

MERCHANTS' MAGAZINE.

APRIL, 1840.

Art. I.—THE COMMERCIAL LEAGUE OF THE HANSE-TOWNS.

The vast political, moral, and intellectual changes, which originate in commercial actions, and spring from extended maritime operations, are eminently worthy the attentive observation of every enlightened mind, and are calculated to awaken a noble pride in the hearts of those who compose the mercantile portion of community.

The early history of society is replete with evidences, that point out the numerous benefits which have resulted to every state from intercourse with distant nations; while, upon its more modern pages, shines forth the chronicle of those great advantages which commerce showers upon mankind.

From its infant struggles upon the continent of the east, where barbarism in all its shapes prevailed, hindering its advancement, and beating to the earth the barriers by which its founders sought to insure its protection, until, increasing in size and strength, it stretched forth its mighty arms and clasped a western world in its embrace, we see it throwing benign influences wherever its prevalence is experienced, and bountifully bestowing wealth, power, and greatness, upon the empires of the earth.

In looking back upon the ancient countries of the world, and marking the character, the pursuits, and the intellectual advancement of their inhabitants, the superiority evinced in these respects by that portion engaged in commerce, and who were bound together by its interests, is powerfully striking. Different cities, however distant from each other, and with whatever dissimilarity there existed to distinguish their religious, their civil, and their political institutions, and with all the variety of habits and customs, language and color, which prevailed, seemed, even in the earlier periods of the world, to be connected together by the chain of common and mutual interest which commercial intercourse had forged; and to be encircled by one broad, entire, and universal band, enclosing them in terms of the closest alliance.

In glancing at the city of Tyre as it existed in its ancient unrivalled splendor, when styled Queen of the Sea, the riches of all nations rolled in upon it in glittering profusion; the industrious, patient, laborious, and intelligent character of its people, stands out in bold and bright relief from the barbarism and intellectual darkness which distinguished most of the nations around it; and within its walls could then be found foreign merchants, whom the courtesy and kindness of its inhabitants had invited from almost every portion of the globe, and whose interests were carefully and studiously protected and fostered by the wisest and most politic system of maritime laws which the age presented. In the midst of the wealth, power, and grandeur which the commerce of this great city had reared, we see a band of its citizens emerge from the ponderous gates that guarded its rich treasures from the fierce nations by which it was surrounded, and impelled by the spirit of foreign adventure, which the vast commercial relations of their native city had created, expatriate themselves from their kindred and homes, and launch forth upon their pathless course; and after marking out the foundation of another mighty city, build up its glorious pile, until the name of Carthage was heralded throughout the world for its might in war, its strict undeviating good faith in peace, the wisdom of its internal government, and the just and permanent principles upon which its political institutions were founded, and as the grand centre of trade for half the nations of the earth. Its extended commerce bestowed upon its inhabitants the most princely wealth, and those enjoying the highest and most honorable stations in its government, were proud of being engaged in foreign trade, forming, as it did, the great pillars upon which rested its glory and power. Its fleets swayed the empire and sovereignty of the sea, and even mighty Rome, after a bloody and doubtful struggle of more than forty years in humbling the haughty rival which, begirt in wondeful strength, had dared to dispute its unlimited superiority, was compelled to deprive Carthage of its commerce, ere its power could be subdued and conquered.

The map of more modern nations presents numerous cities, whose commerce, like that of those we have mentioned, has encircled them around with the barriers of strength and safety, has filled them with the glittering riches of distant lands, distinguishing their inhabitants for superiority of intelligence and intellectual refinement, and causing them to be feared and respected throughout the half barbarous empires by which they were surrounded. The powerful aid which commerce has afforded in redeeming mankind from barbarism and ignorance, in freeing them from the chains of despotism and tyranny, and in alleviating their moral and social condition, is exemplified upon almost every page of history to which we turn, and is so familiar to the minds of the present age as to render its detail here unnecessary, and even uninteresting, besides being foreign to the object which we now have in contemplation. Our present purpose is to unroll from the records of by-gone ages, and spread out to view, the history of a commercial confederacy which was formed in the north of Europe in the early part of the twelfth century, at a period when most of the nations inhabiting the eastern world were sunk in gloomy ignorance, dark and fearful barbarism, and slavish superstition.

At the time we mention, commercial enterprises were extremely hazardous, and the cultivation of peaceful pursuits entirely neglected.

War was the element in which men lived, and the sword the arbiter, and mailed warriors the tribunal to which they appealed. Safety, without power and might to win and guard it, was unknown; and quiet and security, unless girt about with strength and steel, were not enjoyed. Surrounded by such dangerous materials, it became necessary for those desirous of engaging in employments whose ultimate return would be wealth, to devise some means by which a protection in its enjoyment could be secured; and a powerful confederacy, cemented by the bond of common interest, seemed the only mode by which it could be accomplished. Influenced by such considerations, Hamburgh and Lubec, according to some authorities, and Bremen and Amsterdam, according to others, were the first who entered into a league with each other for their common safety, and for protection from the fierce nations by which they were encircled. These cities carried on a small commerce which, even at this early period, impressed the uncultivated, yet eager minds of their inhabitants, with an idea of the riches which its more universal extension would bestow upon them, and grasping the hand of friendship which each held out, a solemn engagement of a close political alliance was made between them. Numerous other cities soon joined in the League, and the concentration of well organized naval and military power which it presented, formed a terrible scourge to the pirates of the northern seas, against whom its force was directed, and aided greatly in subduing and punishing the barbarian hordes which had so long devastated the surrounding countries.

The associated cities were not confined to those situated upon the seacoasts, but those in the interior, which were indebted to them for supplies of commodities, emanating from the industry of more civilized and enlightened lands, looking upon the confederacy as a bulwark of strength, and as furnishing a magazine of war which would be hurled against every aggressor that should invade its rights, were eagerly desirous of connecting themselves with it; until swelling the circle within which they were contained, before the end of the thirteenth century it embraced every considerable city in all those vast territories extending from Livonia to Holland.

The commerce in which the cities composing the League were engaged, rapidly increased, their ships returned from distant climes heavily freighted with the rich treasures and costly luxuries which a more advanced refinement in the arts had created, and every succeeding year, as it rolled on, marked an increased internal prosperity in their condition, and chronicled their continued external influence upon the surrounding nations.

The mighty influence exercised by this great confederacy soon attracted the attention of all Europe. The monarchs around saw with wonder and astonishment the vast strides with which it was advancing towards the consummation of unrivalled power, and its political organization seemed new and strange to those accustomed to govern by the exercise of unlimited despotism and tyranny. No crowned head controlled its movements, no single mind directed its actions. Its vast and complicated interests were managed with the utmost simplicity, and the great results which flowed from its operations were produced by a combination of wisdom, emanating from a senate of the cities composing it, instead of being subjected to the capricious will of a single imperial lord.

The supreme legislative authority of the entire League, was vested in deputies chosen from the different cities and towns of which it was composed, who assembled in one great congress, where were proposed and discussed all those important measures which were adopted by this high deliberative body for the government and protection of the mighty interests which it controlled. All questions, which were calculated to unsettle and disturb the harmonious relation existing among the different members of the confederacy, were submitted to the consideration of the congress, where the dignity and wisdom that prevailed, never failed to insure their satisfactory settlement and amicable adjustment.

It was here, also, that the nature of the intercourse between the League and the adjacent powers was marked out and defined, and its foreign policy settled and determined. Vast negotiations with the surrounding sovereigns of Europe were carried on by means of this great assembly, which met once in three years, and oftener whenever the occasion called for their united deliberation and action. The city of Lubec was considered the capital of the League, and here the meetings were usually held, although no place was absolutely fixed upon for the sitting of the congress. The letters of convocation specified the principal subjects which would be brought under consideration, and were sent to the different cities comprised within the bounds of the confederacy, for the purpose of apprizing them of all those great questions which were likely to be deemed of paramount interest; and an opportunity was thus presented of selecting such deputies as were most distinguished for wisdom, sagacity, and statesman-like views, upon the emergencies to be presented. The professions or employments of individuals chosen to this station did not constitute the requisites by which their competency was determined. The merchants were by far the most numerous, but lawyers, artists, and even clergymen, were appointed, the great object being to send those who were best calculated to represent the interests of their native city, and who, possessing talents of a high order, combined with a noble independence of character, and the most sterling integrity of motives, would assist in the greatest degree to give dignity and weight to the deliberations of this great council.

The decrees pronounced by it were promulgated with much formal solemnity, and in a manner calculated to give them the most universal publicity; and their execution was put in force and carried out by measures in their nature both prompt and powerful.

The high office of president of the congress was filled by one of the burgomasters of Lubec; and from its prorogation to its convocation, the magistrates of that city were vested with great powers in directing the foreign and internal affairs of the League.

Such is a brief and general outline of the nature and form of a government which, as early as the thirteenth century, shone forth upon the despotic countries of benighted Europe, casting abroad upon its dark face the flashing rays of a political beacon-light which is now burning so brilliantly upon the eastern and western hemispheres.

The causes which could have produced this remarkable change in the theory and practical application of human government, must, at this early age, have been strikingly powerful. The nations of Europe were swayed by cruelty and fierce oppression; and the thundering of warring elements raged in fearful tumult from the soft sunny fields which bordered it upon the south, to the cold frowning regions of the north, that towered upward in sullen and gloomy majesty, more frightful in their solemn stillness than the warlike barbarians by whom they were inhabited.

The system of feudal government which prevailed, reared itself in stern ferocity against the few and feeble attempts that were made to reduce the power of the haughty noble, and lower the high and bloody prerogative which was wielded against the rights and liberties of the suffering serf, who groaned under an accumulation of tyrannical impositions.

Superstition and cruelty stalked abroad, and, under the mask of religion, filled half the eastern world with the horrors of war and carnage, and combining the dark and terrible anathemas of the church with the arm of civil government, strengthened by the sword, the minds of the mass of men, by their influence, had become chained with ignorance and error, their rights as freemen were hardly known, and the principle, that the many and the weak must bow the knee to the powerful few, seemed laid upon the age with a hand of iron.

The influence of chivalry, which during the twelfth and thirteenth centuries shone brilliantly forth throughout all Europe, was but little calculated to smooth the rough and boisterous waves that pervaded the swollen torrent of warlike action, which rolled along gathering power and might as it proceeded; and formed but a feeble and ineffectual check to the onward march of despotism, and the consummation of arbitrary and unlicensed cruelty and oppression.

No one will pretend to deny that this institution was productive of great and beneficial changes in the actions and feelings of men, and that it smoothed and softened the rough and turbulent passions of the age, by introducing the interchange of courtesy and knightly gentleness; creating a deferential respect, and even veneration, for the fairer and weaker sex; and raising up champions to defend the unprotected, and to punish the strong and powerful oppressor. But these results availed little towards ameliorating the political condition of great nations, and did not penetrate sufficiently deep to uproot and tear out from the foundation of human governments the corroding evils which ages of barbarism had imbedded within its centre. Instead also of serving to create a distaste for scenes of war and violence, the spirit of chivalry seemed rather to court their presence; and the glittering honors by which the achievement of glorious knightly deeds was rewarded, were calculated to encircle the profession of arms with superior allurements, and to render the civil and peaceful pursuits of men less honored and respected.

Looking upon this dark picture of European society and national government, the mind is filled with wonder as it contemplates the enlarged political freedom enjoyed by the members of the Hanseatic confederacy, and is led to consider upon the mighty advantages which are the results of united commercial action, and which flow from intercourse with foreign countries.

In examining the nature of the political fabric upon which the League rested for support, its simplicity and republicanism stand boldly and beautifully forth from the dark, complicated, and despotic systems by which it was surrounded, and serve powerfully to show the immense influence which commerce exercises in rearing up the altar of national liberty, and in perpetuating the freedom of mankind.

While almost every nation in Europe was ruled by the imperial sceptre of a single hereditary monarch, and the smallest districts were under the absolute dominion and control of some haughty lord, and when the science of rational government seemed forever buried beneath the towering pillars which supported the feudal system, we see this great confederacy linked in the voluntary unity of common interest, bound to sustain its members by the most solemn compact—building up its strength, not by the employment of the sword, wielded by physical power, but through the influence of its free political institutions, the vast riches of its citizens, combined with their intelligence, and superior advancement in the arts of civilized life.

The laws by which the cities of the League were governed, were not the result of capricious tyranny, misguided zeal, or blind ignorance, but proceeded from the solemn deliberations of a high council, chosen by their citizens, whose wishes were consulted, and whose best interests were represented. The principle of self-government was here exemplified, at a period and during an age of almost unexampled tyranny and imperial sway; and civil and political liberty flourished, in the midst of nations whose subjects were chained in ignorance and slavery by the influence of monarchial power.

In consequence of the superiority we have mentioned, the advancement of the confederated cities in wealth, refinement, and military and naval greatness, was singularly rapid. As their resources were developed, the greatest efforts were put forth for the extension of their commerce, and having, by the number and strength of their ships of war, acquired the mastery of the northern seas, they next endeavored to secure a monoply of the entire trade of which these waters were the medium, and in this manner to enjoy the same unrivalled dominion over the Baltic, in the north, as was exercised by the Venetians over the Adriatic, at the south. For the purpose of effecting this great object, both the purse and sword were brought into active requisition. That which could not be acquired by negotiation and gold, was taken by force; and in this manner large privileges and immunities were gradually obtained from the sovereigns of northern Europe, until they became the undisputed masters of these seas, and had secured the whole foreign commerce of Scandinavia, Denmark, Prussia, Poland, and Russia.

This extension of their commercial intercourse and maritime power, may at first appear to spring from inordinate ambition, spurred on by a thirst for wealth, but was in reality necessary to the protection and safety of their commerce, which was ever in danger of being destroyed by the hordes of piratical cruisers which swarmed the Baltic, committing acts of robbery upon every vessel within their reach. The necessity for this empire of the seas, arose from the dark barbarism which every where prevailed, and which, during the twelfth and thirteenth centuries, mantled nearly the whole of Europe in the deepest gloom.

International law was then but little known, and piracy and robbery existed to an alarming degree. It was almost impossible to distinguish friends from enemies, and property belonging to the citizens of one country was indiscriminately plundered by the citizens of another. The flag which a ship carried furnished no security to others of her peaceble intentions, for her national character afforded but a poor guaranty of neutral conduct during a time when the vessels of almost every nation in Europe were engaged in piratical expeditions.

Under these circumstances, the acquisition of the sovereignty obtained by the confederacy over the seas of northern Europe, was of the utmost importance, not only in facilitating its intercourse with foreign lands, and in affording security and safety to its rich commerce, but as it kept a powerful fleet of armed ships constantly employed upon these waters, the fierce and sanguinary pirates who infested them were captured and destroyed, the robbers that prowled about the shores were exterminated, and peaceful pursuits, social order, civilization, and intellectual refinement, assumed the place of war, anarchy, and barbarism.

The beneficial results which flowed from the great measures that were adopted by the League, for the purpose of compassing within its jurisdiction this broad expanse of sea, and in order to render its cities the rich centre of a vast trade to which other portions of the world should be as tributary sources, pouring in their glittering streams of wealth, bountifully repaid the sacrifices by which they had been obtained; and by the introduction of literature and science, the establishment of a more enlightened and liberal system of national government, and the taste for civil employments which was created, powerfully aided in dispersing the heavy clouds of gross ignorance and fearful error that for centuries had overshadowed northern Europe.

It was during the fourteenth and fifteenth centuries, that the confederacy was in the enjoyment of its highest degree of splendor and power. Nearly eighty cities were then bound together by the chains of commercial interest, acknowledging no earthly power as their superior, and looking only to their consolidated strength for protection against the mighty monarchs by whom they were surrounded. They were distributed into four great classes or circles, with one large city at the head of each. Lubec, founded about the middle of the twelfth century, was at the head of the first circle, with numerous subordinate cities under it, among which were Hamburgh, founded by the great Charlemagne in the ninth century, and which had now become a large and powerful city, Bremen, Rostock, Wismar, and many others.

Cologne was the capital of the second circle, comprising twenty-nine large towns.

Brunswick occupied the head of the third circle, consisting of eighteen towns, while Dantzic, having under it eight rich cities in its immediate vicinity, besides many that were more remote, stood at the head of the fourth circle.

Courts of judicature were established in each of these capital cities, in which were determined those numerous questions that so frequently arose out of the complicated mercantile transactions in which their inhabitants were engaged. The judges who presided were selected on account of their wisdom and superior acquirements, and their decisions were usually based upon the broad principles of universal justice. The rights of the humblest citizen were respected, and the avenging penalties of the law were visited upon the rich and powerful with the same degree of severity as they were inflicted upon the poor, weak, and unprotected. A noble equality of freedom prevailed throughout the cities composing the confederacy, while the system of maritime jurisprudence which it had established, and the fabric of international justice it had reared, extended the protection of liberal and enlightened laws to the foreigner and the stranger.

With such universal and uninterrupted prosperity smiling upon the numerous cities of the confederacy, with respect to their political and commercial advancement, and the freedom and happiness of their citizens, the immense power and influence which they so securely enjoyed, can hardly be considered, in magnitude and extent, beyond what must have flowed as a necessary consequence from the statesman-like policy which was adopted.

Their commerce had created enormous wealth, which, at this early and barbarous age, was an agent almost omnipotent, in calling into their service powerful bands of warriors to defend their interests, and protect them in the enjoyment of their rights and vested privileges. The nature of their government, although varying in different cities where local feelings and customs controlled its practical application, was universally the same in its results, conferring the blessings of almost unrestrained civil freedom upon the thousands of citizens who inhabited them, and blazing brilliantly forth upon the map of Europe—an example and a guide to the dark empires that slumbered around. Their intercourse with foreign nations, while it served to enrich them with the most unbounded wealth, had imbibed their citizens with a patriotic love for the political institutions by which they were controlled, and filled their hearts with the warmest zeal in the adoption of vigorous measures to perpetuate them unimpaired. This determination nerved them in battle with a double strength, and fortified them against the assaults of rude and savage foes, with a power more potent than a triple covering of steel. Their military, like their civil councils, were conducted by minds of a nobler and more intelligent mould than swayed the destinies of surrounding states,. and the generals who led on their armies, and the officers conducting their powerful navy, were men of long and arduous experience, oft tried courage, brilliant talents, endowed with great sagacity, and enjoyed the confidence and respect of those under their command. A system of perfect subordination everywhere prevailed, which, opposed to the anarchy and confusion that reigned around them, presented a tower of strength too mighty to be easily overthrown, and the numerous and powerful allies who joined them, under the title of confederated cities, were continually swelling their strength, extending their influence, and adding to their greatness.

While the military prowess and naval valor of the confederated cities inspired the neighboring monarchs with those mingled feelings of fear and respect, which are ever entertained by the despotic rulers of disorganized and barbarous nations towards the more enlightened, wiser governed, and more powerful countries of the earth, the private property of foreign subjects, found within the jurisdiction of their laws, was held sacred, and the rights of its owners carefully secured and protected; and during a period when the goods of the shipwrecked foreigner were grasped and retained by the armed lords upon whose lands they chanced to be thrown, the confederated cities, with every element for unlimited and vengeful retaliation in their hands, at once overthrew this system of piracy and plunder which for centuries had prevailed, and by one broad, and universal decree declared that every species of property found in this situation should be returned to its original owners, and that every city found violating this provision should be expelled from all connexion and intercourse with the League.

If we reflect upon the extensive commercial relations of these cities, and the immense quantities of treasure which their citizens were continually transporting upon the high seas, this measure may seem the offspring of self-interest, directed by the hope that other governments would eventually follow their example, and thus open a wider and surer avenue to ultimate prosperity and greatness; but whatever considerations may have been the active agent in producing this innovation of enlightened humanity upon the dark customs of feudal times, its conception and promulgation should not be deemed the less meritorious, nor can the glorious and happy results which have flowed from its adoption and execution, be attributed to any source save to the influence which commerce ever exerts in humanizing the laws and usages of mankind.

Having examined the nature of those great interests, which it was the object of the confederacy to enlarge and foster, the power which was consolidated to effect this purpose, and the just and popular manner in which it was wielded to secure internal harmony and unity of action, and to punish external aggression, and secure the admiration and respect of surrounding nations, we shall next notice a few of the numerous and important trading franchises and privileges which its citizens enjoyed in distant lands, and under the guardianship and pledged protection of foreign princes.

As the formation of the League had originated from a desire to enlarge the commercial action of the various cities by which it was composed, and by extending their intercourse with distant nations, finally to acquire a monopoly of the entire commerce of northern Europe, and England, the execution of this scheme was embarked upon, at an early period, by the establishment of factories in foreign countries, to serve as great magazines and store-houses, through the medium of which the rich merchandise of distant climes was eventually furnished to almost half the world.

The principal of these were situated at Bruges in the Netherlands, at Novogorod in Russia, at London, and at Bergen in Norway, and the vast and rapid changes which their introduction into these cities created in their wealth and power, their political and social condition, and in the occupations and pursuits of their citizens, were productive of results which served powerfully to develop their slumbering resources, and to aid in the introduction of those refined tastes and intellectual enjoyments for which foreign trade creates the elements, smoothes the path, and establishes the foundation.

The richest and most extensive store-house of the League was established at Bruges in the Netherlands, which in consequence became at a very early period one of the greatest commercial cities in Europe. The science of navigation, during the thirteenth and fourteenth centuries, was so little known, that a voyage from Italy to the Baltic, and back again, could not be performed in a single season; and, as the cities of the League carried on a rich trade with this country, it became necessary to establish a magazine at some intermediate situation for the safe keeping of the valuable merchandise, of which the Italian and Hanseatic merchants were the bearers, and Bruges was chosen, as well from its convenient location, as on account of the superior privileges and enlarged freedom which the government of the Low Countries, unlike most of the sovereignties of Europe, had conferred upon its inhabitants.

A concentration of immense wealth within this favored city was the speedy result of its selection as the recipient of those rich commodities which the adventurous merchant sought to introduce to the minds of men, to whom the elegant luxuries that mark an advance in the cultivation of the finer arts were novel and unappreciated. The wool of England, which for ages has formed the grand staple of her wealth, the products of northern Europe, that combined to furnish a large portion of the necessaries and comforts of life, and the rich spices and dazzling fabrics of Indian lands, were profusely centred in this magnificent emporium.

The fairs which were there held, exhibited the rarest productions of which the world could boast, and called forth a display of perfection and costly beauty, in manufactures and the arts, which in their infancy promised the glorious mould of early perfection and maturity. They were frequented by the merchants of distant cities, and by the subjects of foreign countries who were desirous of securing for ultimate profit and personal enjoyment the many glittering commodities which were spread before them.

The introduction of foreign articles of use and luxury into this city, was productive of an astonishing effect upon its numerous citizens, and created a thirst for knowledge and improvement, which, gradually expanding from their great centre, finally illuminated the entire Netherlands. The existence of establishments for the manufacture of wool and flax in that country, can be dated so far back as the time of Charlemagne, but they met with little encouragement from the rude spirits upon whom they were compelled to rely for assistance and support. And it was not until the time when its principal city was chosen as the grand theatre of commercial action, for northern and southern Europe, and had become the gteat place of resort for the people of all nations, that these feeble establishments were enabled to collect the materials from which afterwards sprung an advancement and prosperity that had hitherto been unknown, and which could be rivalled by no other country in Europe. Its manufactures were then vastly increased, and were conducted upon a scale of magnitude commensurate with the wants to be supplied, while the safe and easy intercourse which had been opened between the Hanseatic and Italian cities furnished a medium for the transportation of their goods to distant markets; the frequent fairs that were held at Bruges, and the numerous foreign merchants who then assembled there, presented the most advantageous opportunities for the ready and profitable sale of their commodities in the heart of their own country.

Perceiving the beneficial influences which the introduction of commercial and manufacturing interests was shedding abroad upon society, and rightly considering the rich magazines which had been established by the Hanseatic and Italian merchants, as the source from whence they flowed, the government of the Netherlands bestowed upon them many superior privileges, and guarantied to them the enjoyment of enlarged and liberal franchises; and in this manner powerfully aided in the promotion of those great elements of prosperity which eventually marked this country as one of the richest and most enlightened of any in Europe, and distinguished its inhabitants for their industry, perseverance, and intelligence, for their advancement in a knowledge of the elegant and useful arts, and in the more refined usages and customs which during the fourteenth and fifteenth centuries dawned upon society.

The factory which was established at Novogorod, although it was made the repository of vast quantities of merchandise, and was of great importance to the League—furnishing it as it did a safe resort for its citizens, and a place of security for the deposit of their wealth—was still of less consequence, in a commercial point of view, than the one at Bruges; and did not tend so powerfully towards promoting a taste for civilization and refinement, and was less calculated to extend abroad the great advantages which foreign commerce operates so potently in creating.

This may be attributed to the greater degree of barbarism and ignorance that prevailed among the inhabitants who occupied the country surrounding the former city, which offered an almost insurmountable barrier to the introduction of a taste for the more elegant and useful pursuits of life, and afforded but little encouragement to the foreign merchant, whose rich and costly wares were unappreciated by the rude and warlike nobles and their untaught and wretched serfs.

Notwithstanding the obstacles which were thrown in their way, the Hanseatic merchants, by the wealth they possessed, and the enlightened and politic course which they pursued, succeeded in sweeping away many of the dark and savage customs that prevailed throughout the city and its vicinity, and by their influence were enabled to effect a number of important and salutary changes in its laws and in the administration of justice towards its citizens. The sovereigns of this city, who were at first tributary and subordinate to the Czars of Russia, and liable to be deprived by those tyrants of crown, liberty, and life, as the riches of the city increased, as its population became more numerous, and its citizens farther advanced in civilization and refinement, gradually threw off the yoke of bondage, and aided by the enormous influence and power which a connexion with the mighty interests of the League invested them, the huge Russian Bear was boldly defied, and an absolute independence usurped and established. The elements which had exerted themselves so powerfully in freeing this city from foreign domination and control, were no less active in extirpating every species of domestic tyranny and oppression; and although it was nominally governed by a single monarch, and its interests managed by the sceptre of a king, yet the liberties which its citizens enjoyed, and the freedom and security of which they participated, were the offspring of popular legislation, and emanated from political institutions partaking more of republican than of monarchal principles. As its commercial relations with the confederacy increased and strengthened, and its intercourse with foreign states became enlarged, and the minds of its citizens expanded and enlightened, bright visions of future glory and power broke upon its view; and when, towards the middle of the fifteenth century, at the period of its highest prosperity, nearly four hundred thousand souls could be numbered within its impregnable walls, the whole Russian empire could not boast another city so rich and powerful. Forming, as it did, the grand centre between the cities of the confederacy and the countries to the east of Poland, and being furnished by the merchants of the Hanse-Towns with the rarest and most costly merchandise, it was at the time we have mentioned a resort for an immense concourse of people from the surrounding nations, and was the source from whence a great portion of northern and western Europe obtained the rich articles of foreign manufacture, and the luxurious productions of distant climes. The contrast which it formed to the rest of the Russian empire was brilliant and striking. While all around slumbered in the night of centuries, dreaming only of plunder and human blood, this city gleamed forth upon the encircling gloom the bright rays of civilization and intelligence; while its inhabitants, instead of thirsting for military renown, were ambitious of extending their commercial greatness and political prosperity. Russia, who had never ceased to look upon Novogorod as a portion of her territory, perceived with growing envy the vast power it had acquired, and during the latter part of the fifteenth century, at a period when conflicting parties had created discord and dissension within its walls, Ivan Vassiliovitch, the reigning grand duke, or czar, of the empire, resolved upon its subjugation, which he accomplished by the aid of a powerful army.

The commerce of the city did not entirely expire with its liberties, but still lived on, a fading monument of its former greatness. This, however, did not long last, for a fourth Ivan, more barbarous and bloodthirsty than the first, having discovered a correspondence between some of the principal inhabitants and the King of Poland, relative to the surrender of the city into his hands for the purpose of regaining a portion of their former freedom, made this the pretext for an indiscriminate slaughter of nearly thirty thousand of its citizens, and thus, at a single blow, annihilated the prosperity of the only bright spot which was presented upon the dark face of his barbarous empire.

The merchants of the League, at a very early period, established a factory in London, which speedily became of great magnitude and importance. The English nation were then destitute of ships, and the blessings of foreign commerce were comparatively unknown, and its benefits unappreciated.

The numerous articles of luxury and convenience which were introduced through the agency of the factory, were at this early age well calculated to suit the minds of the English people; who, although possessing much of the rude Gothic spirit of the times, were eagerly desirous of obtaining the manufactures and productions of foreign lands. Many highly important privileges and immunities were soon showered upon the company of merchants who controlled the factory. They were permitted to govern themselves by their own rules, and were not subject to the jurisdiction of English tribunals. The absolute control of one of the city gates was given them, and the duties on many of the commodities which they imported were greatly reduced in their favor.

With the prerogatives we have mentioned existing in their favor, the prosperity and wealth of the company rapidly advanced, and its influence proportionably increased.

The superior privileges which were enjoyed by the Hansards, as they were called, excited feelings of hostility in the minds of the English merchants, who, perceiving the rich returns that mercantile enterprises bestowed, were eagerly embarking their fortunes to swell the infant commerce of their country. Every exertion which their combined efforts could put forth, calculated to retard the growing wealth of the company, was strenuously adopted, and no measures were left untried which could in the least degree tend towards the annihilation of its growing riches and power. The members of the company were seriously charged with the most fraudulent practices, and accusations were made that they introduced vast quantities of foreign commodities as the productions of cities belonging to the League, which were in reality the importations of other countries, for the purpose of evading duties with which they were justly chargeable.

The English government was finally aroused from the apathy and indifference with which it had been accustomed to regard the commercial interests of its citizens, and began to look upon the immense monopoly of foreign and domestic trade which the Hansards enjoyed, and the princely wealth and broad prerogatives they had acquired, as the results of a system of partial and injudicious legislation, calculated to enrich and build up the fortunes of foreign merchants, while it chained the energies and darkened the prospects of its own citizens.

As a pretext for depriving them of the franchises which they enjoyed, the League was charged with capriciously extending the list of towns belonging to the association, and in this manner preventing the collection of the additional duties which were imposed upon the merchandise of other foreigners. Complaints were also made that the commerce of the English in the Baltic was illegally obstructed by the armed ships of the confederacy.

Impelled by these considerations, the powerful protection and support which the English government had extended towards the Hansards were withdrawn, and their persons were exposed to many indignities, while their factory, which was situated in Thames-street, was often attacked by ignorant, prejudiced, and infuriated mobs of assembled citizens.

The frequent violent assaults which were perpetrated in hostility to the dearest interests of the League, were amply revenged.

War was immediately declared against the English nation, and her entire commerce in the Baltic was speedily annihilated by the powerful fleets of the confederated cities. Edward IV., who then reigned monarch of England, became alarmed, and manifested the most anxious desire for the renewal of peaceful relations with his mighty adversary. The most advantageous proposals as the foundation of a treaty were offered by him, and were finally accepted by the League.

By the provisions of this treaty, which were ratified in 1474, the merchants of the Hanse-Towns were reinstated in the enjoyment of all their former privileges. An absolute property was assigned to them in a large space of ground, with spacious and valuable buildings upon it, in Thames-street, denominated the Steel Yard, by which name they have been commonly known. No stranger was to be allowed a participation in their commercial franchises, and a stipulation was embodied into the treaty, that the English High Court of Admiralty should exercise no jurisdiction in cases affecting their peculiar interests, but that a particular tribunal should be established, expressly for that purpose.

These enormous privileges were by positive provisions directed to be published in all the sea-port towns of the English nation; and whoever infringed upon them, were liable to the infliction of summary and severe punishment. As some return for the many valuable advantages which this treaty conferred upon the merchants of the League, the English were permitted to enjoy the free and uninterrupted navigation of the Baltic, and were allowed to trade with the countries by which it was bordered.

Compared with the immense factories established at the cities of of foreign manufacture, and the luxurious productions of distant climes. The contrast which it formed to the rest of the Russian empire was brilliant and striking. While all around slumbered in the night of centuries, dreaming only of plunder and human blood, this city gleamed forth upon the encircling gloom the bright rays of civilization and intelligence; while its inhabitants, instead of thirsting for military renown, were ambitious of extending their commercial greatness and political prosperity. Russia, who had never ceased to look upon Novogorod as a portion of her territory, perceived with growing envy the vast power it had acquired, and during the latter part of the fifteenth century, at a period when conflicting parties had created discord and dissension within its walls, Ivan Vassiliovitch, the reigning grand duke, or czar, of the empire, resolved upon its subjugation, which he accomplished by the aid of a powerful army.

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Compared with the immense factories established at the cities of

Bruges, Novogorod, and London, the one at Bergen in Norway was of slight importance, and yet, through its agency, the confederacy acquired, and for a lengthened period of time enjoyed, the monopoly of the entire commerce of that kingdom.

The means by which this was obtained, were combined of negociations, money, and military power. Many valuable privileges were thus secured, by which the merchants of the League, although influenced by selfish considerations, were enabled to introduce the useful commodities of civilized life, which, by creating a taste for manufactures and the arts, gradually dispersed the clouds of dark ignorance that prevailed, and laid the foundation for that intelligence and refinement which at the present age so brilliantly distinguish the countries of northern Europe.

With all the vast and formidable array of foreign influence and interests which we have described, possessed of a strong and well organized navy, together with almost the entire sovereignty of the northern seas, and holding the wealth of nations in its grasp, the confederacy presented a tower of strength, which seemed capable of withstanding the rudest and most mighty shocks which could be hurled against it by any earthly power.

Every nation that dared to infringe upon its commercial privileges was speedily visited with the heaviest retribution, and the slightest violation of its political rights called down upon the aggressor the deepest vengeance. The transcendent might of the League was felt and acknowledged throughout every state in Europe, and the ships of war which it possessed were often hired by neighboring princes to assist them in repelling invasion from abroad, or to chastise foreign insult and oppression.

In 1358, the Danes, who were a barbarous, but powerful and warlike nation, maintained a fleet of armed ships in the Sound, which, for interrupting the commerce of the confederacy, were attacked by its ships of war, and nearly annihilated; and this so terrified Waldemar III., then king of Denmark, that he proposed the most humiliating terms of peace, by which he gave up all Schonen to the League for the space of sixteen years; and it was thus enabled to command the passage of the whole Sound and in 1428, Erick, a succeeding monarch, having violated some of its maritime regulations, two hundred and fifty sail, with twelve thousand men on board, were sent against him, who, after ravaging his kingdom with all the horrors of fierce national warfare, compelled him to make ample restitution for every wrong he had committed, and obliged him to submit to such terms for restoring peace to his shaken empire as the confederacy thought proper to impose.

Towards the close of the fifteenth century, mighty elements began to form throughout Europe for the ultimate overthrow of the confederacy. Its vast superiority had arisen, as much from the insubordination, anarchy, and confusion that had prevailed around it, as from the enlightened political organization by which it was governed; and when the civilization and refinement which pervaded its cities began to pour their rays of light over the countries of Europe, their monarchs became impressed with the urgent necessity that existed, for the adoption of national measures calculated to improve the intellectual and social condition of their subjects, and for the establishment of the political institutions of their kingdoms upon a wiser and broader foundation. Influenced by the great commercial interests which the confederacy had so widely disseminated, and which had become of the deepest importance in promoting the advancement of national wealth and power, more enlightened and beneficial systems of laws were enacted and promulgated. The gloomy and illiberal usages which had prevailed under the influence of feudal government, were every where disappearing before the onward strides of civilization and refinement.

The arts and sciences began to be appreciated and cultivated, and the prevalence of civil order and beneficial laws was experienced, where intestine commotions, discord, and despotism, had before reigned. The inhabitants of the countries amongst which the confederated cities were situated, saw the immense advantages which commerce bestowed, and although eager to participate in their enjoyment, the superior privileges and immunities possessed by the members of the confederacy, and of which they were deprived, offered an almost insuperable barrier to ultimate success and prosperity. As the naval strength of the League formed the principal elements by which its influence and power abroad were preserved, and its ascendency upon the seas maintained, the maritime nations of Europe perceived, that they must rival and even overpower it in this respect, before their subjects would be able to compete with its citizens in commercial enterprises; and the most strenuous exertions were made to accomplish this object.

The countries of Zealand and Holland, by uniting their fleets, were at length sufficiently powerful at sea to vindicate their right to the free navigation of the Baltic, which, after many struggles, they succeeded in establishing; and from that time the downfall of the League rapidly advanced.

Many of its richest cities withdrew the moment that they no longer stood in need of its support, and those that had joined it through fear of being otherwise shut out from all intercourse with foreign countries, immediately seceded; and no sooner had the ships of the English and Dutch commenced trading with the Prussian and Polish towns, than these also separated from the confederacy.

In 1552, the English merchants, indignant that a company of foreigners should enjoy privileges of which they were deprived, presented a petition praying for their abolishment, by which it appeared that the company had so engrossed the cloth trade the preceding year, that they had exported fifty thousand pieces, while all the English together had exported but one thousand one hundred. As the power of the confederacy had dwindled away, leaving but the mere shadow of its former greatness, the English parliament no longer feared its vengeance, and an act was passed entirely abrogating the numerous franchises which it had enjoyed, and thus was its influence in England forever destroyed.

In the middle of the seventeenth century, the only cities composing it were Lubec, Hamburgh, and Bremen, and even these retained little besides the name to distinguish their sovereignty.

A development of the commercial resources possessed by the nations of Europe had been accomplished by the League; the purposes of its organization had been effected; and when its power was no longer necessary for the continuance of commercial prosperity, when the spirit of rude barbarism had been expelled by the introduction of civilization and refinement, and social order and political subordination had triumphed over the tyranny, oppression, and anarchy which had so long prevailed, the mighty agent which had produced these changes passed silently away from among the sovereignties of the earth, leaving the impress of its former commercial grandeur deeply stamped upon every enlightened country in Europe.

ART. II.—FRAUD UPON UNDERWRITERS.

"Ships are but boards, sailors but men: there be land-rats and water-rats, water thieves and land thieves; I mean pirates; and then there is the peril of waters, winds, and rocks."—*Merchant of Venice.*

As the elementary writers on the law of insurance have most elaborately and with much perspicacity discussed the whole subject of barratry, the rights of parties, and all that relates to losses arising from the fraudulent conduct of the master and mariners, are well understood; but, with all the light that can be derived from the law, enough is not known of the cause, the nature, and the extent of the innumerable barratrous acts by which insurance companies suffer. It is within the power of practical men alone, who mingle daily with the business of marine insurance, in its every branch, to explain and expose the collusions which are so much dreaded by underwriters, and which are so fearlessly practised against them. It is, then deeply to be regretted, that those who have that power do not boldly exert it, in order that measures more efficient, better concerted, and simultaneous in their effect, might be adopted to check the growing and devastating evil. Every individual should unreservedly contribute all his information, for only by a knowledge of the past can future attempts be avoided and defeated, and this species of intelligence is too much the property of the public to be withheld from any trivial or selfish consideration.

"The contract of insurance," in the language of a distinguished French lawyer, "is the noble result of the genius of man, and the first guaranty of maritime commerce. It has consulted the seasons; it has gazed upon the ocean; it has interrogated that terrible element; it has judged of the sea's inconstancy, and it has considered its commotions; it has scrutinized the policy of nations; it has reconnoitered the ports and coasts of the two worlds; and having submitted all to the nice theories and calculations of skilful men, it has said to the able merchant and the intrepid navigator, truly there are disasters over which humanity may only weep, but as to your fortune, go, launch forth upon the seas, display your activity and your industry, I charge myself with your risks." During the four hundred years that the contract and usages of insurance have been in existence, it has been the safeguard of commerce. Under its protection, trade has been expanded and stimulated, and science has extended its benign influence to the most remote quarters of the earth. With the certain security which it affords, the energetic merchant confidently plans and successfully consummates gigantic enterprises involving the employment of capital, which is, by means of insurance, rendered as powerful as if the amount were illimitable, and the prosperity of innumerable citizens who, under its auspices, find a reward for their industry and a market for their productions, bears triumphant evidence of its beneficial results. It assumes all the risks incident to commerce; defying the elements and the acts of men, it wisely affords protection against every deed of premeditated or accidental wrong, excepting those which surreptitiously originate with, or which are caused by, persons who have sought it as a cover for a fraud, rather than as a means of safety. Without this contract, commerce could not be sustained, and would sink into disgraceful insignificance. The hazards of trade, without the security which insurance now affords, would deter the prudent, whilst the most presumptuous durst not venture boldly on any commercial project of magnitude.

The merchant, then, of every country, is directly interested in the success of underwriters. Insurance companies are formed by the combination of capital derived from many sources, and which often includes the funds of orphans and widows who have little else to depend upon. These institutions require, and to a great extent receive, the protection of wise and salutary laws, and it should be the duty of every good citizen, either as a juror or private man, to assist in preserving them from the ruinous assaults of the fraudulent; for, besides the injustice of the pecuniary loss thus inflicted, and their vital importance to the prosperity and commercial influence of our merchants, it is a duty due to the integrity of our nation, to exert all honest means not only to keep them in existence, but in a condition to afford a reasonable profit to those who, by venturing to own insurance stock, contribute their aid to the advancement of our commerce. But our own merchants are particularly interested, and in a pecuniary point of view, to prevent and expose frauds. The rates of premium charged by insurers, are governed by the amount of losses. Thus the honest man is made to contribute for the acts of the swindler, by paying the higher rate of premium, which goes indirectly into the coffers of those who live by these frauds, to the great injury of the innocent. Who, then, however humble his station in life, would not contribute his willing aid to preserve and perpetuate the companies which are in existence, by preventing, as far as possible, those impositions which, whilst they degrade our commerce, are in their results so injurious? Continued success on the part of those who practise fraud emboldens renewed and more important attempts, until the earnings and capital of insurers are absorbed, and their companies are either too much embarrassed to continue to insure risks, or they are entirely dissolved; and thus, besides the losses of the unfortunate stockholders, that competition among insurers, which is so beneficial to the merchant, is decreased or wholly removed; and, a few years more of the unprecedented misfortunes which have fallen upon underwriters for the last eight years, aided by the unremitted labor of swindlers, will bring a ruin so complete upon the companies, as to leave, at last, no protection against those hazards of commerce which insurers have honestly borne, since the first chartered company was known to our country. The apathy of our merchants upon this interesting subject is unfortunate in the extreme; and were they once aroused to its importance, we should find them promptly concerting measures for the amelioration of this greatest of all evils to which the business of insurance is exposed. In former times, when insurance business was carried on by individuals, there was in the trial of insurance causes a greater regard for law, and the requirements of justice were sacred. In our day, there is an unholy prejudice against corporations, which too often corrupts and impedes the course of both law and justice. No sympathy for insurers exists, there should be no occasion for sympathy for either party; but the prevailing feeling is so decidedly opposed to insurers, that the merest tyro can easily excite in a jury rancorous prejudices, and even an indignation which neither law nor reason can allay, so that to command a verdict for insurers, even with the most clear case, is a matter of chance and uncertainty. This prejudice should be uprooted. That practice among jurors which would visit an unjust loss upon the *many*, because it would fall *heavily* upon an *individual*, cannot be too soon exploded. Evenhanded justice should prevail. The man who cannot divest himself of all prejudice against corporations, should never make a mockery of justice by taking the oath of a juror.

The several large cities of our union have, within the last twenty years, witnessed the rise, progress, and speedy destruction, of many chartered insurance companies, with an immense amount of capital; but the enormous share which fraud has had in producing their ruin has been but too slightly understood, for no one interested has taken the trouble to collect and publicly expose facts. We are occasionally treated to a newspaper report of an isolated case, but nothing like a general history of frauds upon underwriters has ever been given to the public; and, indeed, such a publication should be oftentimes repeated, as the ingenious plans of the swindlers vary with the times. Were it asserted by any individual, that for the last eight years one out of every three of the demands which have been made upon marine insurers in the United States, whether eventually paid or not, bore the badge of fraud, would the assertion gain the belief of one of those, who, being honest themselves, are willing to hope that others are so likewise? And yet it may be found, upon a dispassionate examination of facts, that such an assertion would not vary essentially from strict truth. Perhaps, however, the assertion should be so far qualified as to explain, that the term fraud is applied to cases which have been engendered in dishonesty by designing men, and perpetrated by fraudulent agents, as well as to those which, without being planned in fraud, have ended in, or been augmented by, fraudulent acts or proofs. The hardihood of the individual who should make such an assertion might excite, among those who are governed by motives of a prudential and pecuniary character, as much surprise as the assertion itself would in those who have been inattentive to the cases of fraud which are continually occurring; but no consideration should restrain a well disposed person from laying bare, at least, some of the facts upon which the assertion would be founded, in order that the public might be enabled to judge whether the number of cases marked by fraud exceeds or falls short of the estimated proportion. Facts for such an estimate, can only be derived from long and arduous attention to the business of insurance in all its ramifications. They cannot be gleaned by him who is not as often employed in an adverse position to underwriters as in their favor, nor can they be acquired by one whose habits, taste, or sense of duty, will not permit him to mingle with strange company, and sometimes with disagreeable circumstances. It is impossible for the underwriter, who quietly and carefully attends to the business of his own office, to know of one half the frauds which are almost daily attempted agains this company, and he has neither time nor opportunity to hear of and consider those which are practised against his cotemporaries, and to which, in varied form, he is ever liable. Indeed, an underwriter is, for some reasons, the least likely of all persons to discover a fraud before or after its perpetration; for had he the eyes of Argus, so much is disguise used towards him, he could not discover all the tortuous measures of rogues, nor could the ring of Gyges confer that power of invisibility which would be requisite to enable an underwriter to dive into the hidden mysteries of those who plan in darkness the frauds which are sometimes so boldly perpetrated in the light of day. The greatest labor of the wicked is to conceal their crimes. How, then, is the underwriter to be forewarned and forearmed against frauds, so obscure in their origin, and so often consummated without a suspicion or trace of guilt? If he depend upon his own experience and judgment, or if he, in addition, avail himself of the aid of the inspector of his office, he is still liable to be deceived; and he is often beset with difficulties which the inspector, however fearless, skilful, and honest, cannot overcome, as his opportunities seldom give him any other knowledge of a risk, than that which relates to the condition of the vessel, and sometimes to the past character of the captain. Such knowledge would be more advantageous did it not happen that a good vessel is often made to cover a very bad risk, arising from the fraudulent character of the captain, owners, or shippers. To know the character of the real parties in interest—not merely the name of the holder of the policy—is of immense consequence in appreciating the hazard; but unfortunately there is not, and probably could not be, any positive regulation which would compel the necessary disclosure in all cases; and other plans are, from the exigencies of the business, resorted to for the purpose of obtaining such information, which plans are generally of doubtful success. An underwriter, who has made the profession his study, may, by arduous attention, judge with much precision of voyages which are geographically hazardous, what cargoes are dangerous to carry and most susceptible of damage, what seasons are inauspicious, what countries are liable to internal commotion or foreign war; and he may know who, among merchants, are able and willing to pay their premium notes; but, in addition to this acquaintance with the ordinary risks and considerations, there should be a knowledge of men and character, or the contract and its consequences may produce fraud or assist its plans. And as the most prudent and skilful, with the best appliances for obtaining secret or open information, as to character and conduct, are too often overreached, it will be clearly perceived that success in the business of marine insurance, can only be the result of knowledge, prudence, and eternal vigilance, and that success cannot always, even with the greatest caution and prudence, be obtained by the most deserving.

It would indeed be a flagrant injustice to cast an indiscriminate imputation of fraud upon the merchants of the United States, for, as a body, their integrity of character has always withstood the rude assaults of the ignorant and malicious; whilst among those of enlightened and liberal feeling, their upright and honorable conduct has always, and under all circumstances, been the theme of universal praise wherever their fearless enterprise and undaunted energy have made our country known. Nor should that harsh charge be incautiously applied to our skilful, hardy, and persevering ship-masters, through whose fearless labors and incessant zeal the vast projects of our merchants have so often been carried forward to glorious results; and through whose spirited career and honorable national zeal, our country's flag has become, on every sea, a sceptre demanding and receiving the respect due to a nation of freemen. As a class, our sea-captains number as few *mauvais sujets* as may be found among an equal number of the members of any profession, although no men are more exposed to extravagance and immorality. They are undeniably not surpassed, if equalled, by the ship-masters of any country; and yet it is unfortunately too true to admit of a denial, that many ship-masters have been, are, and will be, dishonest. Nor are merchants to be exonerated from the misfortune of reckoning within their ranks swindlers of the most dangerous class. All professions and occupations suffer under similar imputations. It may be said that honest merchants unknowingly employ dishonest captains; this, too, is true, and it must also be admitted that honest ship-masters are sometimes engaged by designing merchants, who do not scruple to make them, either innocently or with guilt, accessory to their frauds. But with all their misfortunes, it would seem that not so many fraudulent and careless disasters have been caused by the misconduct of our merchants and masters, as have been, by English writers, imputed to those of Great Britain. A statistical publication was made some time since in one of the British quarterly reviews, intended to account for the immense loss of shipping engaged in the commerce of that country; and the number reported to have been lost from the incapacity of the master, from drunkenness, and from fraud, was so astounding as to have been almost incredible, and seemed to be well calculated to justify the conclusions of the reviewers, that the fact that "*they were well insured*" was, in reality, the prime cause of a majority of the losses. That publication, however, was made rather with a view to account for the *number* of ships lost, than intended to expose the *manner* of loss, or make known the whole system of fraud, inclusive of those cases which, although of a petty character, involve, in the aggregate, an immense amount of money, and are, perhaps, the most dangerous from being less cautiously examined, and of more frequent occurrence.

To give in detail an *exposé* of the frauds which have come to the knowledge of one individual by long and patient investigation, sometimes under trying circumstances—is the object of this article. *He* cannot act presumptuously, who offers even the slightest counsel as to guarding against similar cases; and if this offering should be so fortunate as to thwart even one attempt at crime, it will not have been an undeserving labor; but perhaps it will at least explain, to an observing mercantile community, some of the unholy attempts which have been made to the injury of the public character, whilst to stockholders it may account for the loss of some part of their dividends. And may it not operate with merchants and ship-masters,—who wish to maintain and increase the good character of their compeers, and who are unwilling to pay an enhanced premium to cover the peculations of swindlers,—as an inducement to the exercise of a greater and more becoming vigilance, upon a subject which should be of high importance to every honest man? By making this statement no confidence is betrayed; none was ever sought for by the writer. His knowledge of the facts here enumerated, was voluntarily rendered, involuntarily acquired by contact with men in almost every situation, or arduously sought for—whenever duty made it necessary—without asking the consent of the parties. As it would be injurious in many respects to give the names of vessels, and inexpedient, at present, to publish those of individuals, both are withheld, deeming it unnecessary to give any other reasons for so doing, than that there are and have been many vessels of the same name, and that those persons who collected, or attempted to collect, the claims from the insurers, were sometimes guiltless of having planned or participated in the frauds. The incidents are, however, sufficiently described to bring a knowledge of almost every case home to those who have, in any way, been interested in or affected by them. This statement will not injure the innocent, nor need it be feared that it will have a tendency to increase rather than to diminish the number of frauds; the eyes of the honest will be opened, and it is to be hoped that those who are fearless will not be found wanting in their efforts to unmask villany, whether found in high or low places. Let those who are galled wince; the honest have nothing to fear.

In describing some of the plans by which total losses have been perpetrated, it is necessary to premise, that there has been, and is, in New York, a *clique* or fraternity of plunderers, who, with plausible manners and genteel appearance, have contrived to obtain possession of many vessels by the use of a little money, and their credit, which is used alternately by the members. There is an unholy alliance to assist each other in every emergency, by money, means, and evidence, true and false. They seldom have much money in any one hazard, however large the expected stake may be, and are not to be ruined or even baffled by the failure of one or two of their enterprises. Their usual plan has been, to buy a vessel, part cash and part credit, and then to get a merchant to advance money upon her, and procure in his own name a policy of insurance for a valuation exceeding, by at least fifty per cent., her real cost, and the policy remains with him as collateral security. This operation, so far as the merchant is interested, may or may not involve guilt. Honest men have been deceived; but for the sake of character there should be an exercise of greater caution, and the merchant who deals with a known rogue is entitled to little sympathy. Having got the advance, the members generally make some alteration or repair of the vessel, to save appearances in case there should be any subsequent question as to the high valuation in the policy of insurance. But the advance serves another purpose; with it and another stretch of credit a cargo is procured, and this generally secures a second advance of cash upon the cargo and freight, covered by farther policies of insurance under exorbitant valuations, and by the way, they are always sure to be careful that each policy is a valued one. The advance on these last policies pays the vessel's outfit, and repays the amount of cash which they have advanced on her purchase. When so much is done, they risk no loss, but, living in joyful hope of a large "windfall," are ripe for a new speculation. The rest of the adventure is easily described; the vessel sails, is burnt, scuttled, or otherwise cast away. Sometimes she is dismasted by cutting the "lee laniards of the lower standing rigging," so that when they "tack ship" she may lose her masts without any apparent act of the master; and to effect this, a dark night and squally or rough weather are most convenient. In another case, she is run ashore, and if she do not bilge, holes are bored in her to destroy the cargo and make the vessel appear to be worthless. As an auxiliary to the bilging by boring, the masts are often cut away under the pretence of making her "lie easy," or to prevent "thumping." Cutting away the masts when no holes are bored is practised where the stranding takes place within the reach of wreckers who might save the vessel, and it is done for the purpose of securing the right of condemnation, or with a desire to make any attempt at saving useless and not worth the expense. In either case, there will be a total loss of vessel, cargo, and freight, the cargo being too much damaged to send forward to its port of destination.

But it sometimes happens that they are unable to carry out their views as to the purchase of a cargo, in which case they take one "on freight," getting the vessel and freight highly insured by the same means as before stated. She then sails with a poor outfit, leaks, loses some sails, spars, or rigging—if the total destruction as described be not attempted—and she puts into Bermuda, St. Thomas, or some other port affording equal facilities for a fraudulent condemnation and sale. The cargo may perhaps be sent forward, but it is more often sold, and in either case a total loss of freight takes place, and many a rotten old craft has thus been sold to the insurers at an enormous price. In conducting this kind of enterprise, an attempt is often made at a double "operation," by buying the vessel and cargo in, through the means of a friend. In other cases, the vessel, by arrangement, puts into a port where no repairs can be had—she is condemned and sold, and, as in the last case cited, the "double operation" is attempted—so that after the loss is paid she may still belong to some of the members under new names,—or, if a total loss be not paid for, there will be little if any real sacrifice, and she is ready for a renewed attempt. It will be perceived that there is but a small hazard in this plan, as the underwriters almost invariably pay a partial loss, at least, to avoid litigation, and the amount recovered will be so much clear gain to the brotherhood. As an improvement to these plans—where the merchant who advances the cash knows of the intended fraud—the insurances are delayed until the vessel has been at sea several days, so that the captain *may appear* to have acted in good faith as to the condemnation, and as he would have done were there no policies procured; whilst the truth is, advice as to the insurances has been sent by other vessels direct to the intermediate port, for it had been previously so arranged, and the captain governs himself accordingly. An instance has occurred, within the last year, where a vessel sailed and put into port, in pursuance of this plan; but, as the application for insurance in New York and elsewhere had failed, owing to the prompt measures which were taken, she resumed the voyage, arrived at the port of destination, and returned to New York safely, to the unfeigned joy of the parties, who had, from her long passage, feared her loss without their consent. This voyage lost a round sum for the rogues. In another case, two persons, who were not admitted to *all* the secrets of the conclave, happened to hear enough to convince them that a certain brig was to be lost, and they went immediately to an insurance office and procured a valued policy, and had it agreed that "the policy was to be proof of interest," they having in fact no interest; their chagrin may be imagined on finding that they had lost their premium of insurance by the safe arrival of the brig;—the loss of the brig, which they anticipated, was planned for, and took place, on her next voyage.

Where it is intended that the vessel shall be scuttled or sunk, it is the practice to make a great display of silks and fine goods; and even doubloons are counted before witnesses who are accidentally on board —*of course!* It is needless to say that such goods and gold are reserved for a better fate than that of going down into the caverns of the deep: they return to the caverns of the swindlers, and sometimes serve to furnish forth other enterprises of a more desperate character. It has often been a matter of astonishment that these men are always so ready with witnesses who actually saw the property on board; but it should be remembered that those who plan a villainy, study hard to make it successful, and do not scruple at the means; nor is it very difficult to cause respectable and innocent men to see the goods on ship-board, and, by some remarkable coincident, cause the fact to be remembered.

Some years since, when pirates were supposed to be innumerable on the coast of Cuba, losses were plenty; but at least one half of them were fraudulently contrived by the owners. Vessels were sent out from Havana, having doubloons on board, which were insured by means of respectable merchants in New York; by an arrangement between the captain and the owner, the vessel would be stopped by an imitation piratical attack, a sham fight would ensue, the doubloons would be taken out, and the amount paid by the insurers.

In one out of the multitude of North Carolina cases, a notorious counterfeiter, through a house in New York, procured an insurance of $7,800 on specie and goods. The vessel was also well insured. Holes were bored in the vessel, and plugs were fitted and inserted, to be taken out at sea. She sailed, and on the first night she was filled with water and abandoned. It had been arranged, with the captain of another vessel, that he should keep company, and take off the captain and men, which was done. Fraud was suspected, the insurers were sued, and on the trial, the jury would not agree; this *honest* claim was compromised for *one half.* By a quarrel among some of the parties, it was discovered that old blocks and stones were made to represent goods, and that there had not been any specie on board. The captain who executed this fraud has since been shot dead by a person whose life he had attempted for giving evidence in favor of the insurers.

The famous case where old type was made to represent specie, is too well known to require any farther remark, than that the person who acted as agent of the underwriters, and who rendered very important service to them, has since been connected with several successful and unsuccesful frauds against underwriters, but, in one instance, was very near going to the states' prison, besides losing the case against the insurers and being publicly exposed.

In the year 1828, a Spanish merchant, who resided in South-street, in this city, was arrested, tried for an attempted fraud, and acquitted. The excitement at the time was very great, and much curiosity as to the real plans and intentions of the merchant existed. The facts proved were these:—He owned a good brig, which with her outfit cost $10,000. He procured insurance on her for $8,000 only. He bought, and actually put on board $60,000 worth of silks, and other goods of great value and little bulk. Through a broker's aid he found a well known captain with whom he made an arrangement to effect a total destruction of vessel and cargo, for which service he was to receive $5,000—(it could be done for half the money now)—of which $1,000 was immediately paid to the captain, whose conscience and pocket began to grow heavy at the same time; but the equilibrium did not long continue, for as his pocket was gradually lightened, his conscience became the more heavy, until he was induced to unburthen himself to the collector of the port of New York, who called to his aid the counsel of an underwriter, who displayed great impetuosity and anxiety, and made fine promises to the captain, but was too eager in his movements, and thereby marred the plot without discovering its object. In pursuance of the plan arranged, the merchant was arrested at the custom house, whilst in the act of clearing the vessel for sea. At the trial, the captain made his statement as to the proposed destruction of the property. The purchase and shipment of the $60,000 worth of goods was fully proved. An insurance of $60,000 was also proved; of which $35,000 was effected, through a respectable broker, in Boston, and $25,000 in Philadelphia; and in all the policies it was agreed that *the insurance should apply to goods of which the marks and numbers would be given when bills of lading were made out.* As this insurance was only equal to the cost of the goods, and as there would be two or three thousand dollars at the merchant's risk, *no motive for a fraudulent loss could be positively discovered*, and the merchant was acquitted. But a fraud was intended! The merchant is now dead, but he has left a full exposure of his plan. He expected to have cleared $50,000 by his project. The shipment was to have been divided into three parts, making three consignments to fictitious names; one being insured in Boston for $35,000, as before stated, for account of a fictitious name, for whom it may concern, *loss payable to the merchant;* a similar insurance in Philadelphia, for $25,000, in another fictitious name; and *the third insurance, for* $50,000, *was to have been effected among his New York friends, immediately after the sailing of the vessel;* and the marks and numbers of the $60,000 worth of goods were then to have been so arranged and endorsed on the various valued policies, as to cover what actually cost $20,000 with the $35,000 of insurance in Boston; goods costing $15,000 were to be covered with the $25,000 insured in Philadelphia; and the balance of the $60,000, which cost $25,000, was to be covered with $50,000 of insurance in New York. Had not the captain betrayed him, there can be no doubt as to the success; and had more forethought been used, the captain would have sailed as if to perpetrate the fraud, and by the time she put into a southern port, or returned to New York, the plot would have been so far developed as to have astounded the merchants and underwriters, and the public would then have been convinced that the captain had made true statements as far as he knew any thing of the case. The same merchant had previously tried this plan, and cleared $20,000 for $3,000, shipped by a schooner. The loss was paid by underwriters who, not suspecting him, gave him a good character on his trial.

Two of the infamous confraternity before alluded to, bought a brig in New Orleans in partnership with one of their members, who was, with the vessel, in New York. Insurance was procured in New Orleans for $18,000 on vessel and freight. She sailed, one partner going as captain, and another going passenger, for New Orleans. They ran her upon a reef on the coast of Florida. The captain went to one set of wreckers for assistance, and the passenger to another, and when all got on board, the wreckers were excited to quarrel for command; during the fight, the captain set fire to combustibles—placed in the hold for the purpose—and she was entirely consumed, each party of the wreckers believing that the other had destroyed her. Under cover of this smoke, the pirates went to New Orleans, and encountered little difficulty in adding the sum insured to their joint stock. As to false proofs: a case has occurred in New York, where, as the underwriters suspecting fraud, refused to pay, a suit was commenced, and a commission for the examination of witnesses in South America was procured by the claimant and sent forward. When it was returned, the evidence was found, if true, to be very strong against the insurers, but the ingenuity of the counsel employed for them soon made it evident that the claimant had prepared all the answers to the interrogatories in New York, and had had them translated into "*bad Spanish*," and sent forward with the commission to South America—probably to save the trouble of finding witnesses—or, at least, if any were found, that they might be relieved from any perplexity by having the useful answers prepared to order, "cut and dried." This claim was not paid. South America is not the only country where ready-made answers are attached to a commission in an insurance cause.

Another outrageous case which has been brought to light was, where a ship, being insured at a high valuation, sailed from a port in the Pacific Ocean, bound to a port in England, with a plan for scuttling her in the Straits of Magellan, having previously, by maltreatment, caused all the American crew, who could not be entrusted with the secret, to desert, so that the proper material might be selected. She was scuttled, and as no tidings of her came to the United States, it being supposed that all on board had perished, she was, after a delay of twelve months, paid for by underwriters in Boston. In the examination of another fraud, it was discovered that some of the sailors, who were on board of this ship up to the last hour, were alive at a port in South America, but the owners had absented themselves from the United States, and remained beyond the reach of the law. In a more recent case, a ship bound to New Orleans was purposely run in among the Florida reefs, and, owing to the ignorance of the captain, she became so situated as to require much perseverance on his part to keep her in a dangerous position, two good channels being so open to him as to make it necessary to get help from the wreckers, who came in sight, to find a bad one. He went on board of the wrecking vessels, and agreed *that they should give him one thousand dollars for the job of running her ashore.* The day was too bright and the wind too fair to insure success, and the ship remained at anchor until dark night and a head wind afforded a more *favorable* opportunity; but with these, and all their combined skill, she came so near going through the channel safely, as to render it necessary to make her yaw about for the space of two hours to find a reef which was hard and sharp enough; and when they had, with much patience, selected the place, and got a cable and anchor to heave her harder ashore, she would not stay stranded with their best efforts, but floated over the reef, and, as daylight came, they had to take her to Key West, where, as the fraud was apparent, the Judge of the Admiralty Court refused to decree any salvage; and as the captain was thus about to lose his $1,000—he consummated his villany by swearing for the wreckers, that they "acted in good faith;"

perhaps they did, so far as *he* was concerned, for it has since appeared that he received his "wages of sin." He procured the condemnation and sale of the ship. This case shows an improvement upon the old plan of "trusting to luck" among the wreckers—and, at this rate of progression, it will not be long before these wreckers will have their agents in New York and elsewhere, with cash in hand, ready to make contracts at "reasonable rates" for the greater perfection and advancement of their system. Indeed, it is even now asserted, that wreckers visit Havana and New Orleans with a supply of doubloons to make bargains with needy or gambling captains, to get them "to stop" upon some reef,—$25,000 has been offered in one instance of a very valuable cargo. The insurers have no permanent resident agent in Key West in whom they can place entire confidence. It is true, that an individual who may be highly respectable, is nominally the agent of underwriters at that important point, but he is interested in one or more wrecking vessels, and so intimately allied with the inhabitants of the place and its interests, and is left so dependent upon his own enterprise and industry—*having no salary*—that it could not be expected that he should serve two masters, *himself* and the underwriters. A fearless, talented man, well versed in maritime and insurance law, and its practices, and who would be so well paid as to allow of his being restricted so as to preclude his speculating with the interests of underwriters, could save an immense amount of money for them, not only by preventing and exposing frauds, but by settling honest losses in the best manner. As these affairs are now managed, special agents are sent from different cities to attend to the various cases as they become known. These agents are generally "retired ship-masters" of advanced age—often fond of ease and comfort—possessing only that knowledge, which, although of the seas, has enabled them to navigate themselves into good berths ashore; and who would, were they, as shipmasters, wrecked at Key West or elsewhere, require the very species of advice and assistance which they, as special agents, are expected to bestow upon their brother sailors, although their previous pursuits in life may not have allowed them better opportunities for the acquirement of the necessary legal knowledge and skill; and it has generally been no part of their study. There are, of course, exceptions to this general description, although too many have to depend upon Key West lawyers "to keep them straight," and some of these ship-master agents have been enabled to render good service; but, as a certain means for discovering and preventing frauds, it would be unjust to expect them to succeed in all cases among strangers, for they are often unable to detect fraud when practised at their home ports. The money paid by the underwriters of New York, Boston, Philadelphia, and Baltimore, would more than secure and compensate the services of a person of known skill, fearlessness, zeal, and character; and the advantages which would accrue from having always at that point a known agent, who would be ready for any emergency, are incalculable.

The foregoing remarks as to total losses, it will be seen, are exclusively applicable to those cases which were engendered in fraud, and carried through by fraudulent acts and proofs. There is, however, another class of losses, not originally planned in fraud, but which ultimately takes its assistance, to make that a total loss, which, without its influence, would be but a trifling accident, or at the worst, only a partial loss. Many vessels, for instance, meet with accidents which are not of a character so serious as to make it probable that they would be abandoned if they were not "*well insured.*" Proofs of this often occur; for other captains, generally not so well supplied with men and means, but who are interested to make money, take charge of vessels so abandoned, and bring them with little trouble into port, and it is then discovered that the damage was really but a trifle; and it may well be inferred that a profitable *sale to the underwriters* was an object of greater importance than any fear of the loss of lives. Other vessels, after unavoidable accidents, put into ports of necessity, where, because they are well insured, or because the masters are unwilling to burthen the owners with one third of the cost of the repairs, which they have, by the contract of insurance, agreed to bear, are condemned and sold, and perhaps bought in under cover. These were not cases of fraud in the beginning, but they are converted into fraudulent claims by the conduct of the captains, who, as the agents of all parties, were bound to act as they would have done were the vessels their own and only property, and uncovered by any insurance. Luckily, frauds of this nature are more easily traced, because those persons who give false estimates and surveys to the captain to assist the condemnation of the vessel, are equally ready to betray him when they have got the hire of their iniquity; and yet many cases of this kind have been paid without hesitation, owing to the character of persons who have been interested. On one occasion, a ship with a load of salt got ashore near Sandy Hook. She leaked badly, but could be pumped out by great exertion, and was in the act of being floated when one of the owners got on board, and seeing that she would be saved, had the audacity to offer to the honest and intrepid wrecker who had charge of her, and who is now dead, $500 to let her sink in deep water when he got her off. To those who knew the wrecker, it would be needless to say, that she arrived in New York, were it not for the purpose of stating that this is the same ship which was subsequently *sold to the Boston underwriters*, by being scuttled in the Straits of Magellan, as before described. Another ship was insured in New Orleans, for a period of time. On the voyage to New Orleans she had lost a chain cable, but this loss did not amount to an average. No chain was procured even on her return to New York. She was put up for Cadiz, and sailed; the single chain, which was but half as long as it should have been, was, by the aid of a second-hand anchor, made to represent two chains. The captain had remonstrated against this management, but rather than lose "a berth," he listened to the instructions of the owners, which were, she "is well insured, and if you can't keep her off, why let her go ashore *for good!*" He did not disobey orders or break the owners: she was stranded, and the New Orleans insurers paid the loss, as the fraud was not discovered until it was too late. A schooner, insured at a high valuation, was dismasted, but arrived at a southern port. The owners abandoned and claimed for a total loss, but the surveyors would not condemn the vessel. As the owners were thus compelled to repair her, they ascertained how much her repair must cost to give a claim for a technical total loss. The repairs were fully made, and the vessel, fitted out in the best possible manner, came to New York. Documents were procured, the loss was stated, and found to amount to a "technical total loss," thus throwing the vessel upon the underwriters for sale, and giving the right to call upon the insurers for the sum insured, and for the payment of all the bills of repairs furnished. The bills and documents appeared to be fair and honest, excepting as to certain articles supplied, which the vessel did not have before the accident. Amongst the papers, *by mistake*, were some religious memoranda of a private character, and yet it was found that the bills of repair *were false!* Two hawsers were charged for; only one was found on board; the captain declared that *one was so locked in the forecastle that it could not be seen*, as he had not the key; a watch was set upon him and the vessel; he immediately got men, unlocked and cleared out the forecastle, whilst his owners procured a second hawser, brought it on a cart, cut off the *New York ship chandler's tally*, had the hawser stowed in the forecastle, placed old sails and rigging on top of it, locked up the forecastle, and then sent to say that he had "got the key, and the other hawser could be seen." On finding that this manoeuvre had been discovered, the owners alleged that they had removed the hawser for "safe keeping," but this only made the case worse, as it thus appeared that they were willing to secrete the property of the underwriters. The truth was, the hawser in the bill was charged for *at double the actual weight*, and so were many other articles. The deduction of these false charges defeated the claim for a technical total loss, and the owners, rather than be exposed by a public trial of the case, were glad to settle it as a partial loss, keep the vessel, which they had fondly hoped to buy in, and pay their own false bills as they best could. It is more than likely that the insurers of this schooner have forever lost the custom of the owners; but they will probably be enabled to survive the misfortune quite as long as those to whom they give their patronage.

As to claims for partial loss and general average which are planned in fraud, they are numerous. A few cases may be cited. In one instance, where a schooner had met with no disaster, a complete set of false documents, bearing seals, etc., were made out at New Orleans, to recover for a partial loss in New York, and the claim was paid. The fraud was discovered, when the captain was arrested for burning a brig after dismasting her. In another case, a captain who had been previously convicted of stealing flour and other articles from a vessel which he had towed into Boston for salvage, was found to have had two insurances on his vessel, and recovered a partial loss, once in New York, and a second time in Philadelphia, whilst in fact no loss had taken place. Partial losses *are twice recovered* with less hazard than total losses, which are often spoken of in the newspapers as being insured in some office of which the name is given, whilst the insurance companies seldom take any trouble to inquire as to second insurances in cases of partial loss. Coffee, damaged on the voyage of importation, and sold in New York for account of underwriters, has been purchased and hoarded in this city and Brooklyn in large quantities; it has been put into clean bags, insured at a high rate, and shipped to Marseilles, and other ports, where it has again been "sold for the *benefit* of underwriters," and the claims for heavy amounts, in particular average, have been paid, so that large profits have been made upon small investments. Other articles of a like nature are frequently treated in the same way, and the documentary evidence for the claim always comes duly authenticated and in perfect form. To some of these cases the captain is an accessory, but generally he knows no more of the affair, than that the merchandise appeared to be sound when shipped;

and, as he is told that the cargo could only have been damaged from "bad stowage," for which the vessel would be liable, he is willing to accommodate the parties with a protest, by which a little rough weather is magnified into a gale, and the damage to the coffee, which may have once before been paid for by the same underwriter, becomes, with the assistance of certificates from surveyors, the subject of a new claim. This practice has had a very injurious effect—as to insurance—upon the interests of honest houses, and it is peculiarly interesting that such frauds should be prevented and exposed. In some instances, where there was no insurance on the vessel, damages, which have accidentally happened, have been so fraudulently described as to bring them within the rules for general average, and insurers on cargo and freight have been made to bear, wrongfully, a large proportion of the repairs. In others, where the vessel and cargo belonged to the same owners, and sometimes where they did not, and accidental damage has happened to "memorandum articles," for which no "particular average" could legally be claimed from the insurers, the whole has been, by fraudulent protests, and false log-books, brought into a general average, and contributed for by those who should have been exempt. In a recent case, damages happening on a voyage to Mobile, were made the subject of a protest at that port. She was not then insured, but a policy was procured in Boston, and the vessel left Mobile without repairs;—before arriving at New York, some sails were blown and cut away, and on arrival, a protest was made in which it was stated that all the damage, including that received on the voyage *to* Mobile, had happened on her voyage *from* that port. Surveys were called, the repairs were ordered, a statement of the claim for loss was made, when, by the merest accident, the Mobile protest was discovered in New York, and the whole fraud was exposed. Alterations and re-writings of log-books, to suit certain circumstances, or to bring a loss within the terms of a policy, are of too frequent occurrence to require more than a passing notice. Another species of claim, scarcely less culpable than some of the instances cited, is, where a vessel's copper, being so nearly worn out as to require to be replaced by new, is purposely stranded upon some bar or shoal, whence a tide will be sure to float her, but not until the stopping or touching upon the ground has furnished an excuse for requiring new copper at the expense of the insurers. Sails, old and ragged, are sometimes set purposely to have them blown away, in order that underwriters may furnish the vessel with a new suit; and, occasionally, when the wind will not blow with sufficient force to remove the vestiges which might betray the age of the sails, the axe and the knife will cut the tell-tale witnesses from the spars.

And as to small losses, not originating in, but turned to, fraud, by bad acts, misrepresentations, and false oaths—their name is Legion! It would be an endless labor to detail all the cases which come readily to the knowledge of one who attends, personally, to the "out of door" business of examining and settling insurance claims. Some of them may be enumerated. In cases where damage to cargo has arisen from "bad stowage," false surveys, showing *sea damage*, are often procured, to make the insurers pay the loss which should fall upon the ship owner. False certificates of the sound value of a damaged cargo are procured, to increase the per centum of loss which would not otherwise reach the amount necessary to create a claim for particular average. Almost every case of repair for account of underwriters is attended with a fraudulent overcharge in the bills, as in such cases mechanics have no mercy. False bills of repairs are rendered to the insurers, where a fraudulent increase of fifty per cent. is made, so that when the one third "new for old," which should fall upon the owner, is deducted, the insurer will, after all, pay the full cost of the repair without the benefit of the deduction which the policy would warrant. A case of the kind was discovered, where, by accident, the honest and dishonest bills were placed in the hands of the same insurance broker to adjust the claim. The ship chandler's bills, which were most important, plainly proved, that one was made for the owner and the other for the insurers, $150 being charged for every $100 of cordage actually delivered. This was not the first or last case of the kind, although in the other instances more caution was used. There are persons in New York who do not scruple to propose this and other plans to ship-masters and owners, as an inducement to give them their business,—and New York is not the only port where this and similar practices are extant. An English ship carpenter at Cowes or Falmouth, can afford to give a ship-master a new chronometer, as well as a New Yorker can afford the bestowal of a large commission, or a suit of clothes; and some ship-masters in high places, who have been highly respected for their sobriety and integrity, have not disdained to require and accept what honest men call *a bribe*, for the bestowal of "an underwriter's job," but which polite and time-serving rogues will persist in calling a mere "perquisite." As an honest mechanic can afford no deduction from his bills, he will make none; and, although New York retains ship-masters who would scorn to receive, and mechanics who would not give, "a douceur," it is nevertheless disgraceful, that neither of these classes succeed so well as those who are more in favor on account of their yielding character and easier consciences. It would be an advantageous labor for the underwriters to correct—by their own personal scrutiny—the evil in New York, before looking farther; the result would surprise them, and be beneficial to all but those who now confidently but secretly batten on the spoils.

Many captains, who have made demands against underwriters, have found that the difference of a few dollars in loss or expense will make or mar a claim for partial loss, which must, in all cases, amount to five per cent. upon the valuation; for insurers seldom or never pay a loss falling short of five per cent., however nearly it may approximate to that amount. The captain or owner whose demand has thus been defeated once, provides for future cases; the axe and the knife, profuse expenditure, or false bills, will augment the per centum *to more than enough*, for fear of mistakes in the calculation! In a recent case, the captain was detected in the act of injuring the rigging of his vessel, after his arrival in port, in order that he might not only have damage enough for a claim, but secure a supply of new rigging for the old. Complaints against underwriters have been made, that they encourage petty frauds of this character, by refusing to pay claims for partial loss which fall short of the necessary per centum by a trifling amount, which, as the assured say, is occasioned by the exercise of extreme economy. But the answer is, that the most strict and honest exercise of economy, in all cases, is but a just compliance with a kind of implied warranty to which the assured binds himself by the acceptance of the policy; and, as the terms of the contract, in relation to partial losses, printed in the policy, are easily understood, there can be no hardship to an honest man, in adhering to them punctiliously; the rogue will surely complain, so that he may at least appear honest and indignant. A departure in one instance, "would be recorded as a precedent; and many an error, by the same example, will rush into" the business of adjusting claims, and so many difficulties would thus arise, that there might as well be no rules in existence; for, even with the best discretion and skill on the part of insurers, in the exercise of their duties under this part of the contract, they are too often compelled to pay for repairs, as indiscriminately, as if they had agreed to keep the vessel in complete order, under any and every circumstance. There are alterations required, most assuredly, as to parts of the practice of settling claims, which would operate more fairly and fully as an indemnity; and, when frauds are decreased, the insurers can well afford to make such changes, as they are, and should always be, inclined to maintain the character of the policy of insurance as a contract of perfect indemnity.

Policies by vessel or vessels have given rise to another species of fraud, which has been much practised. Open policies for twenty, fifty, or one hundred thousand dollars, are procured by persons receiving many consignments. The amount to be insured by any one vessel is limited; and it is agreed that the assured shall give immediate information to the insurers as to the shipment or receipt of the invoice, in order that the amount may be endorsed upon the policy. As the advice of shipment and the invoice very often arrive together, and as the *goods are safe*, the assured is too apt *to forget to give the insurers notice to make the endorsement on the policy*, and the premium of insurance is thus unjustly detained from them, whilst it is hardly probable that there is an instance on record where the assured *forgot* to make the endorsement and claim when the goods were lost or damaged. Claims for return premium are often falsely made under these contracts, but it oftener happens, that the assured continues to hold the policy rather than make an affidavit that all the goods actually received have been endorsed on the policy, and he will get such a privilege for an extension of time as will enable him to fill up the policy by such endorsements *as are unavoidable*. To increase the perplexing difficulties of this kind of insurance, the goods are often consigned "to order," and though the insurers may, by the inspection of newspapers and freight lists, and by means of assistance from the custom house, discover and endorse many of these stray risks, yet a vast number go clear, and pay no premium; and, with the exercise of the greatest vigilance, the dishonest practice will continue until the underwriters adopt some harsh measure, or abolish the system entirely. The plan of issuing these policies commenced at a time when, as there was a greater competition, it was deemed necessary by some underwriters, to offer increased accommodations to the assured; and what was once a mere convenience, or inducement held out to get premiums, has now become so strongly engrafted upon the business of insurance as to be almost immoveable, although there are many serious objections besides that of the fraud to which it has given rise. Such policies are decreasing, and will continue to be less often granted, until the old system be restored: the sooner the better.

The last of the frauds to be described, are those by which underwriters suffer from the plundering wreckers upon our coast. They are committed less often than in former times, when magistrates and preachers did not disdain to insist on having a fair chance with their less potent brethren. It is by no means probable that the inhabitants of our sea-board ever contrived to cause the loss of life with a view to plunder; but, it is confidently believed, that they have caused losses of vessels by false lights, etc., although no instance has been clearly proved. These wreckers, luckily, do not harbor the superstitious fears as to saving life from wrecks, attributed by Sir Walter Scott to their less fortunate brethren on the coast of Zetland; for, we have innumerable instances of the hardihood of our "Jerseymen" and others in saving life under the most perilous circumstances. But, as to stealing, too many of them exceed in rapacity the most zealous of the Zetland tribe, who, as Scott says, looked upon the wreck as a "godsend," and as a mark of "especial favor from on high; which favor would not be repeated if the old and helpless were not charitably assisted to a fair share." Men and women owning property, and who would scorn to steal even a rusty nail from a neighbor, have had neither conscience nor fear as to robbing wrecks which were cast upon their coast; to rob a dead body was, with them, no crime. For some years past these piracies have been less frequent; and it depends upon the underwriters themselves, whether they shall be again committed with that impunity, which allowed of the stealing of at least $20,000 worth of goods from one ship, within sixty miles of New York, without a single arrest. On the coast of North Carolina, the pirates generally steal as much as they please. Nothing will prevent the recurrence of these bold thefts, but the prompt arrest and punishment of every thief, at any sacrifice or hazard; and there are good men and good laws upon our coast, to insure the execution of justice, if their aid be required. As an auxiliary to the prevention of theft, the wreckers should be well and even liberally paid for every service. A parsimonious doling out of a miserable pittance to workmen will always be, as it has in some recent cases been, the cause of great dissatisfaction, so that honest men will not work, and some of the worst class of men will be hired in their places, and there will be more stolen from the wrecks than would be necessary to pay the honest men for their labor ten fold. There never was and never will be any real saving by such a course at a wreck. Underwriters would know this better, if they would occasionally surprise themselves by a visit to the sea coast after their agents have returned and made their reports.

The policy of insurance, which now makes the underwriter liable for barratry of the master and mariners, should be so amended as to cover only the innocent shipper of cargo in case of loss by fraud. The Boston policies have for a long time covered "barratry of the master and mariners, *unless* the assured be the owner of the vessel." In New York, the owner of a vessel and cargo may contrive with his captain for a fraudulent loss, and, although the fraud may be discovered, the insurers, under the risk of barratry, would be made to pay, unless his collusion with the captain could be proved. The effect of the Boston policy is, to keep the owner up to his liability in the selection of an honest captain, for against the acts of a rogue he cannot be indemnified.

As to the prevention of petty frauds: perhaps a clause might be introduced into the policy, which would vitiate every claim, however honest in part, if it were clearly proven that any portion, be it even the merest trifle, were founded in a wilful fraud. A provision of this kind exists in fire policies, and in many instances has proved very effective. And as to the prevention and detection of frauds in general, great assistance might be derived from an interchange, with every Board of Underwriters, of a list of all the frauds, large and small, attempted or known of by each company, and reported twice a month to the head-quarters to be agreed upon; it being understood that an alliance should be formed, forbidding the issuing of a policy to any individual who may be clearly proved guilty of a fraud. The expense of such an arrangement would be a trifle; for as it is, every company has to guard itself, and there is but little difficulty in perpetrating any fraud which may be designed. But the best of all means to prevent fraud is *the unceasing exercise of vigilance—vigilance among underwriters;* and, among honest merchants, *vigilance!* Without vigilance, every plan must fail! And be it understood, that the frauds of the rogues are, for the future, apparently to be perpetrated *in good vessels;* old vessels are too much suspected; and, although many of the heaviest of the honest losses which have fallen upon our underwriters have been by ships of the first class, there is little doubt that good ships will still be readily insured, and the frauds of the swindlers will be the more easily covered.

The statements herein offered are voluntary.—That they are true can be proved, if necessary. No solicitation, no cause, but a sense of duty, could have brought them forth. If any individual thinks he sees himself, or his case, too closely described, let him go and sin no more; he will have nothing to fear. As the object was to confer a public benefit, not to inflict a private injury, so no malice should be inferred; at all events, as no favor or affection should be sought from rogues, so their enmity should not be dreaded. And it is believed that there are *too many* concerned in the base practices of deceit, cheating, and imposition, collusion, misrepresentation, equivocation, concealment, bad faith, and perjury against insurers, for any person to imagine that *he* is specially alluded to; none will, therefore, "be offended, but those who are too *conscious* of their culpability: QUI CAPIT ILLE FACIT."

ART. III.—SUGGESTIONS ON THE LAW OF AUCTIONS.

No. III.

OF AN AUCTIONEER'S RIGHT TO PURCHASE.

THE reason why an agent for the purpose of selling, cannot generally become the purchaser, is obvious; he cannot have a single eye to the interest of his principal. Courts of equity are disposed to adopt the principle of the civil law, that the same person cannot be both buyer and seller. When an ineffectual attempt at public sale has been made, the auctioneer may purchase from his employer the property he was engaged to sell, for his agency has terminated; but while his employment continues he cannot purchase, on the ground, that being invested with a trust, he is disqualified from placing himself in a situation incompatible with the honest discharge of his duty. If such a purchase can be sustained, it must be where the agent makes it fully appear, both that he furnished his employer with all the knowledge he possessed, and also that he was known to be the purchaser. The rule is, that an agent shall not purchase from himself.

RIGHTS OF VENDOR AGAINST PURCHASER AT AUCTION.

A vendor, after contracting to sell, has a lien on the goods, which entitles him to the possession until the price is paid, unless it has been agreed between the parties that a certain time shall be given for payment. Although when a bargain is struck, the property in goods is transferred to the purchaser, and that of the price to the seller, yet the vendee cannot take them until he tenders the price agreed on. The payment of earnest-money does not remove the lien, but only diminishes it so much.

There does not appear to be any case of *stoppage in transitu* between vendor and vendee upon a sale at auction; but the ordinary rules of law would apply. The right of resuming the possession of property by the vendor, during the course of its conveyance to the vendee, in the event of the insolvency of the latter, is called *stoppage in transitu*. This is an interesting topic, to which we can but allude at this time; we may, however, add, that this right of stoppage does not proceed upon the ground of rescinding the contract, but it is an equitable lien, adopted for the purposes of substantial justice; this right is not taken away by a part payment of the price of the goods by the consignee.

The vendor may bring an action for the price of goods sold, against the purchaser, or it may be brought by the auctioneer; but it may be resisted in the latter case, if the auctioneer has committed an act which would have invalidated the contract if it had proceeded from the vendor. If a person purchase goods of a factor, knowing him to have made the sale in that capacity, in an action by the factor for the price, the defendant cannot set off a demand which he may have against the plaintiff; but if an auctioneer does not disclose the name of his principal, but delivers the goods in his own name, and the purchaser does not know that he is acting as agent, the buyer would probably have a right to set off a debt due from the auctioneer, in an action brought against him by the principal for the price of the goods. If, however, he should disclose the name of his principal before payment, or before the whole of the goods were delivered, although he did not disclose his agency at the sale, the effect would be the same as if the name of his principal had been stated before the sale. If an auctioneer become bankrupt after he has effected a sale, the vendor may maintain an action against the purchaser for the purchase-money, if it has not been paid to the auctioneer; or if the vendor gives notice to the purchaser not to pay it to the auctioneer, and the purchaser, notwithstanding such notice, subsequently pays it to the auctioneer, he will be liable to pay it to the principal also.

When the contract for the sale of goods is completed by the assent of both parties, the property in the goods is so far transferred to the vendee, as to give him a complete right of property in them, and a right to the possession of them on payment of the price agreed upon, but he cannot take the goods until he tenders the price. It is difficult to ascertain the particular period when the property in goods passes from the vendor to the vendee. What is sufficient to vest the property in the vendee, is not always sufficient to deprive the vendor of his lien for the price; what might be sufficient, in the absence of insolvency, to confer a right to possession, is not always sufficient to deprive the vendor of the right of *stoppage in transitu.* This point is of importance in cases where the property is destroyed. It appears to be well settled, that a purchaser, from the time of the purchase, is in equity owner of the estate; that he must pay the consideration money, if the estate be injured or destroyed by fire or otherwise, between the time of the contract and the conveyance; and upon the same principle, that he will be entitled to any benefit which may accrue to the estate during the same period. Goods sold remain at the risk of the seller, where something remains to be done, as between the buyer and seller, as for the purpose of ascertaining either the quantity or price of the article sold; because there is no delivery, the property does not pass though the price be in part paid; if there be a part delivery, the other part not yet ascertained will not pass. There need not be an express agreement that something farther shall be done; it is enough if it appear, from the circumstances of the case, to be necessary. But when the goods are sold, and nothing farther remains to be done to them by the seller, the property in such goods will be changed by the sale, and they will be at the risk of the purchaser.

The statute of New York in relation to principals and factors, has materially changed the law formerly applicable to them; in certain cases it deems the agent or factor to be the true owner, so far as to give validity to his contracts; but subjects him to a penalty if he dispose of property entrusted to him, to his own use, with the intent to defraud the true owner. The statute impairs the common law right of owners; for they might follow their property into the hands of third persons, where it had been transferred or disposed of by an agent contrary to his instructions or duty, and reclaim it unconditionally.

OF THE RIGHTS OF THE PURCHASER AT AUCTION.

If a deposit is paid on a purchase, and the owner fails to comply with the conditions of sale, the purchaser may either affirm the agreement by bringing an action for the non-performance of it, or he may disaffirm the agreement, and maintain an action against the vendor for his money. Where a person buys at auction several lots, it is an entire contract; that is, the several lots are purchased with the view of making them a joint concern; and if the vendor fails in making a title to any one of the lots, the purchaser may refuse to take the others.

If a chattel be sold with *all faults*, and yet there are latent defects which it was impossible for the purchaser to discover by means used by the vendor, the vendee may set aside the contract.

An unconditional contract of sale, when once made, cannot be dissolved, except by the consent of the parties to it, or for fraud. But at a sale by public auction, when no credit is given, if the buyer depart without paying for or receiving the goods by delivery, the contract may be treated by the auctioneer as null, and he may sell the goods to another. But where the contract is complete, if the buyer refuse to take and pay for the goods purchased by him, the vendor, to enforce payment of the purchase-money, for which he has a lien, may resell the goods, and claim for the loss and damage, if he sustains any upon the resale.

A purchaser who is insolvent, may, before the goods come into his actual possession, or even afterwards, if he take possession only for the vendor, rescind the contract, with the consent of the seller; but where goods have been actually received into the possession of the purchaser, and accepted by him as owner, he cannot rescind the contract, and by returning them to the seller prevent their being applied in satisfaction of his general debts. Insolvency does not operate a dissolution of the contract. A contract of sale cannot be rescinded after a complete acceptance of the goods by the purchaser, except there be an original agreement that he may be at liberty to rescind in such case, or unless both parties, where the interest of a third party is not concerned, consent to rescind it, or it turn out to be a case of fraud. And, even in the case of fraud, if the purchaser, after the discovery of the fraud, continue to deal with the article as his own, he cannot afterwards rescind the contract. The purchaser must rescind within a reasonable time.

In general, whenever a person, in order to obtain an undue advantage in a sale, by word or deed, intentionally misrepresents, or conceals, or produces a false impression, in regard to a material fact, forming an inducement to the contract, and touching a matter, in respect to which a known trust or confidence is properly placed in him by the other contracting parties, who are ignorant of the fact misrepresented or concealed, the contract or sale may be vacated by the party imposed upon, for fraud. A sale of property procured to be made by false pretences or criminal fraud does not effect a change of the property.

If the vendor fails to comply with the conditions of sale, the vendee may maintain an action for such non-compliance, or he may rescind the contract. Specific performance of a contract by a competent party, and in its nature and circumstances unobjectionable, is as much a matter of course in equity, as damages at law.

If the purchaser knows that an auctioneer made the sale in that capacity, in an action by the auctioneer for the price, the purchaser cannot set off a demand which he may have against the auctioneer.

It is not uncommon for a deposit to be made at sales by auction. A deposit is a payment in part of the purchase-money, and not a pledge only; the auctioneer is, however, the stake-holder, till the sale is completed, and he cannot legally part with it to the vendor or purchaser before that time, except by their consent. If the vendor fail to comply with, and perform the conditions necessary to complete the contract on his part, the deposit may be recovered from the auctioneer; although, in general, he will not be liable to pay interest upon it. If, however, a deposit is paid into the hands of an auctioneer, so far as respects any risk to the deposit, he is only the agent of the vendor; and if the auctioneer become insolvent, the loss must be borne by the vendor.

In conclusion, it may be remarked, that an auctioneer is bound by his duty to obtain the best price which the property is fairly worth, and not to sell at a less price or in a different manner than is specified in his instructions, unless compliance with his instructions would operate as a fraud upon others. If his instructions are unlimited, he must pursue the accustomed course of business. He must possess a competent degree of skill, and is liable for losses sustained by his incapacity. If he exceed his authority, and loss ensue, he must bear it, unless his principal recognise his acts; if any gain result, he must account for it. If he be without special instructions to sell for cash alone, and not on credit, he may sell on credit, for the period usual in the market. If goods be entrusted to him to dispose on particular terms, if a compliance with those terms should prove to be impracticable, he is not liable, if he in good faith dispose of the goods in some other manner. His conduct, when no fraud is chargeable, should receive a liberal and favorable construction. If he sell on credit, and the vendee becomes insolvent before the demand falls due, he will not be liable, if he exercised due diligence to ascertain the solvency of the purchaser. If he sell several parcels of goods belonging to several of his principals, on a credit, to one person, and take one note from the vendee for the whole, payable to himself, he would not, from this circumstance alone, be personally liable to his principals; but, if he should sell goods of his principal and take a bond to himself for the amount, including a debt of his own, he would be liable to his principal for money had and received, though nothing in fact may have been received by him. When, for an additional compensation in case of sale, he undertakes to guaranty to his principal the payment of the debt due by the buyer, he receives a *del credere* commission, an Italian phrase, whose signification is exactly equivalent to our word guaranty or warranty. If he receive a *del credere* commission, he is liable to his principal; if the buyer fails to pay, he is not primarily the debtor.

In bringing these suggestions to a close, it may be added, that some of the authorities maintain, if an auctioneer dispose of property without having a sufficient authority for so doing, so that the purchaser is unable to obtain the benefit of his purchase, the auctioneer will be liable for the costs the purchaser may be put to. It is also recommended, that an auctioneer ought generally to state in advertisements that the property will be sold at the time and place designated, unless previously sold by private contract, in which case, notice of the sale will be immediately given to the public; if the property be disposed of by private con tract, the auctioneer should immediately give notice of such disposition; if he does not, it is said, that any person who attends at the place appointed for the sale, will be entitled to recover against the vendor or auctioneer any expenses he may have thereby incurred.

ART. IV—THE HARBORS OF NORTH AMERICA.

Natural facilities for the formation of Harbors on the American Coast—Tides—Construction of Quays and Jetties—Cranes—Graving Docks—Screw Docks—Hydraulic Docks—Landing Slips, &c.—New York—Boston—Philadelphia—Baltimore—Charleston—New Orleans—Quebec—Montreal—Halifax.

THE eastern and southern coasts of North America are indented by numerous bays and sheltered sounds, which afford natural facilities for the formation of harbors more commodious than any which works of art alone, however costly, could possibly supply, and to an extent of which, perhaps, no other quarter of the globe can boast. The noble rivers with which this country abounds, and its inland lakes, which, for expanse, deserve the name of seas, are subjects of great interest to the general traveller; but to the civil engineer, who is more alive to the importance of deep water and good shelter in the formation of harbors, and who, at every step in the exercise of his profession, feels the difficulty, and is made aware of the expense, which attend the attainment of these indispensable qualities by artificial means, the natural harbors of the continent of North America afford a most interesting and instructive subject of contemplation.

The original founders of the sea-port towns on this coast appear to have been very judicious in their selection of situations for forming their settlements. The towns, if not placed at the mouths of fine navigable rivers, in most cases possess the advantages of sheltered anchorages, with deep water, and accommodation for all classes of vessels. The chief object in founding most of the towns, seems to have been the formation of a port for shipping, or the cultivation of a valuable adjacent tract of country watered by a navigable river; in which latter case the harbors do not always possess the same natural advantages, but stand in need of works for their improvement, which would involve a greater expenditure of capital, and occupy more time in their execution, than a country, as yet new in the arts, has been disposed to bestow upon them. Viewing the harbors of America generally, however, no one can fail to be struck with their importance, and, in connexion with its inland navigation, convinced of their mighty effect in advancing the prosperity of that enterprising country.

The largest ports of North America are Quebec, Halifax, and Montreal, in the British dominions, and Boston, New York, Philadelphia, Baltimore, Charleston, and New Orleans, in the United States. Besides these ports, there are many towns on the coast, of later origin, having less trade and importance, but nevertheless possessing splendid natural facilities for the formation of harbors.

I was fortunate enough to visit many of the American ports, and in most of them, I found that accommodation for vessels of great burden had been obtained in so satisfactory a manner, and at so small an expense, as could not fail to strike with astonishment all who have seen the enormously costly docks of London and Liverpool, and the stupendous asylum harbors of Plymouth, Kingstown, and Cherbourg. I have little hesitation in saying, that the smallest of the post-office packet stations in the Irish Sea has required a much larger expenditure of capital, than the Americans have invested in the formation of harbor accommodation for trading vessels along a line of coast of no less than 4,000 miles, extending from the Gulf of St. Lawrence to the Mississippi.

The American packet-ships trading between New York and the ports of London, Liverpool, and Havre, are generally allowed to be the finest class of merchant-vessels at present navigating the ocean; and for their accommodation we find in England the splendid docks of London and Liverpool, and in France the docks of Havre. An European naturally concludes that a berthage no less commodious and costly awaits their arrival in the ports to which they sail; but great will be his astonishment when, on reaching New York, the same fine vessel which lately graced the solid stone-docks of Europe, is moored by bow and stern to a wooden quay; and, on leaving the vessel, he will not fail to miss the shade of a covered verandah enclosed within high walls, the characteristic of a

British dockyard, and will have any thing but pleasant sensations when he is ushered forth upon a hastily constructed wooden jetty, which, in certain states of the weather, is deeply covered with mud, and generally affords a footpath far from agreeable.

This state of things strikes a foreigner, on first landing in America, in a very forcible manner. The high, and in some cases superfluous, finish which the Americans bestow on many of their vessels employed in trading with this country, lead those who do not know the contrary to expect a corresponding degree of comfort, and an equal display of workmanship, in the works of art connected with their ports; and it strikes one at first sight as a strange inconsistency, that all the works connected with the formation of the harbors in America should be of so rude and temporary a description, that, but for the sheltered situations in which they are placed, and other circumstances of a no less favorable nature, the structures would be unfit to serve the ends for which they were intended. But when we come to inquire into the reasons for this difference between the construction of the European and American harbors, they soon become apparent and satisfactory. The difficulties and expense encountered in the formation of most European harbors, have arisen chiefly from the necessity of constructing works of a sufficient strength to withstand the violence of a raging sea to which they are in general exposed, or in obtaining a sufficient depth of water, by the construction of docks, or other means, to enable the vessels frequenting them to lie afloat at all times of tide. In Britain, these difficulties in a great measure arise from the narrowness of our country, which necessarily contains but a small extent of inland waters, whose quantity and currents, when compared with the bays and rivers on the American coast, are agents too unimportant and feeble to produce, without recourse to artificial means, the depth or shelter required in a good harbor. The Americans, on the contrary, among the numerous large bays and sounds by which their coasts are indented, have the choice of situations for their harbors, perfectly defended from the surge of the ocean, and requiring no works, like the breakwaters of Plymouth and Cherbourg, for their protection; and the basins formed and scoured by their large navigable rivers, afford, without resorting to the construction of docks like those of Liverpool, London, Leith, or Dundee, natural havens, where their largest vessels lie afloat at all times of tide within a few paces of their warehouse doors.

The kind of workmanship which has been adopted in the formation of the American harbors is almost the same in every situation; and the harbors generally bear a strong resemblance to each other in the arrangements of the quays, and even in their localities. This renders a detailed description of the works of more than one harbor unnecessary; and, for the purpose of giving an idea of an American harbor, I would select that of New York, because it undoubtedly ranks as the first port in America, and is, in fact, the second commercial city in the world, the aggregate tonnage of the vessels belonging to the port being exceeded only by that of London.

The island of Manhattan, in the state of New York, is about fifteen miles in length, and from one to three miles in breadth. The city of New York is situate on the southern extremity of this island, in north latitude 40° 42′, and west longitude 74° 2′, from Greenwich. It was founded by the Dutch in the year 1612, and it now contains a population of about 300,000 inhabitants, and measures about ten miles in circumference. On the east, the shore of Manhattan Island is washed by the sound which separates it from Long Island, and on the west by the estuary of the river Hudson, which, as far up as Albany, is more properly an arm of the sea than a river, the stream itself being small and contemptible. These waters, which have received from the Americans the appellation of the East and North rivers, meet at the southern extremity of the island of Manhattan, and at their junction form the spacious bay and harbor of New York, the great emporium of the western hemisphere.

The bay of New York, which extends about nine miles in length, and five miles in breadth, has a communication with the Atlantic Ocean through a strait of about two miles in breadth, between Staten Island and Long Island. This strait is called "the Narrows;" and on either shore stands a fort for protecting the entrance to the harbor. This magnificent bay, which is completely sheltered from the stormy Atlantic by Long Island, forms a noble deep water basin, and offers a spacious and safe anchorage for shipping to almost any extent, while the quays which encompass the town on its eastern, western, and southern sides, afford the necessary facilities for loading and discharging cargoes. The shipping in the harbor of New York, therefore, without the erection of breakwaters or covering-piers, is, in all states of the wind, protected from the roll of the Atlantic. Without the aid of docks, or even dredging, vessels of the largest class lie afloat during low water of spring-tides, moored to the quays which bound the seaward sides of the city; and, by the erection of wooden jetties, the inhabitants are enabled, at a very small expenditure, to enlarge the accommodation of their port, and adapt it to their increasing trade.

The situation of New York is peculiarly favorable for the extensive trade of which it has become the seat, by the nearness of its harbor to the ocean; the quays being only about eighteen miles from the shore of Sandy Hook, which is washed by the waters of the Atlantic. This naturally makes the communication more direct and easy, as a very short time elapses between making land and mooring at the quay; and all the anxiety which is experienced after falling in with the European land, in a coasting navigation of several days, before the mariner terminates his cares by docking his vessel in Liverpool or London, or in any other port of Great Britain, is thus avoided. I may mention, in illustration, that I left the quays of New York at half-past eleven on the forenoon of the 8th of July, 1837, in the "François Premier" packet-ship, Captain Pell, for Havre, with a very light breeze from the northwest; and, at seven o'clock on the evening of the same day, our vessel was gliding through the Atlantic with nothing in sight but sky and water. This case is strongly contrasted with what took place on my outward passage, on which occasion I left Liverpool, under no less advantageous circumstances, on the 12th of March of the same year, in the "Sheffield" packet-ship, Captain Allen; but we did not clear the Irish land till two days after our leaving port.

The perpendicular rise of tide in the harbor of New York is only about five feet. The tidal wave, however, increases in its progress northwards along the coast, till at length, in the bay of Fundy, it attains the maximum height of ninety feet. Towards the south, on the contrary, its rise is very much decreased; and, in the Gulf of Mexico, is reduced to eighteen inches, while on the shores of some of the West India islands it is quite imperceptible.

A bar extends from Sandy Hook to the shore of Long Island, across the entrance to the harbor. Over this there is a depth of twenty-one feet at low water, which is sufficient to float the largest class of merchant-vessels.

The wharves erected for the accommodation of the shipping of New York are formed entirely of timber and earth, in a very rude and simple manner. A row of wooden piles, driven close to each other into the bed of the river, forms the face-work of the quay, which is projected from the shore as far as is necessary to obtain a depth of water sufficient to float the largest class of vessels at all times of the tide. The situation of New York, in this respect, is very favorable, as deep water is very generally obtained at the distance of from forty to fifty feet from the margin of the water. The piles, of which the face-work of the piers is composed, are driven perpendicularly into the ground, and are secured in their place by horizontal wale-pieces or stretchers, bolted on the face of the quay, and running throughout its whole extent. Diagonal braces are also bolted on the inside of the piles, and beams of wood are connected to the face-work, and extend behind it to the shore, in which they are firmly imbedded. These beams act both as struts and ties, serving to counteract the tendency of lateral pressure, whether acting externally or internally, to derange the line of quay. The void between the perpendicular piles, which form the face-work and the sloping bank rising from the margin of the water, is generally filled up with earth, obtained in the operation of levelling sites and excavating foundations for the dwellings and warehouses of the city. This hearting of earth is carried to the height of about five feet above high water of spring-tides, at which level the heads of the piles, forming the face-work, are cut off, and the whole roadway or surface of the quay is then planked over. The planking used in forming the roadway of the quay is, in some cases, left quite exposed; but, in general, where there is a great thoroughfare, the surface of the quays is pitched with round water-worn stones, and corresponds, in appearance and level, with the adjacent streets.

A continuous line of wooden quay-wall surrounds the city of New York on its eastern, western, and southern sides; and the inhabitants are still rapidly extending their harbor accommodation to meet the wants of increasing trade, which has now become so great, that the wooden wharf-walls, by which the city is surrounded, have attained a length of no less than seven miles. Numerous jetties, of the same construction as the continuous quay-wall, project into the harbor from its face, at distances of from three to four hundred feet apart. The jetties are generally from two to three hundred feet in length, and from fifty to sixty feet in breadth. The vessels frequenting the harbor, for the purpose of discharging or loading their cargoes, are moored in the bays formed between these projecting jetties, where they lie closely penned together, waiting their turn to get a berth alongside the wharves.

The wood-work in the quays and jetties is of a very rude description. The timbers employed in their construction are seldom squared, and never, in any case, protected by paint or coal-tar from the destroying effects of the atmosphere. Wood is so plentiful in America, that to repair, or even construct works, in which timber is the only material employed, is generally regarded as a very light matter.

The fixed crane for raising great weights, which is so generally used in the quays of Europe, is not employed in New York, nor, in fact, in any of the American ports. There, vessels generally discharge and take in cargo with a purchase hung from the yard-arm. Tackling, attached to moveable sheer-poles or derricks, is also in pretty general use in some of the ports; but this apparatus proves a very poor substitute for fixed quay-cranes, which are certainly of great convenience and utility in a shipping port.

The want of proper accommodation for vessels requiring repair is much felt by the shipping frequenting the American ports. The construction of an effective graving dock is, under any circumstances, an operation of considerable expense; but, in situations where the rise of tide is small, the difficulties encountered in its construction, and the inconvenience and expense attending the use of it when completed, prove a great bar to the introduction of this useful appendage to a dock-yard. It is, in a great measure, owing to these circumstances, that graving docks, for the repair of trading vessels, are not used in the American ports; in the most important of which, the perpendicular rise of tide is so small, as to lessen, in a great degree, the advantages which, under more favorable circumstances, would be derived from their introduction.

The only graving docks at present existing in North America, are those which have been erected for the use of the navy by the government of the United States, in the navy-yards of Boston, in Massachusetts, and Norfolk, in Virginia. These docks have been formed of such a size as to admit with ease the largest class of government vessels belonging to the American navy. The dock of Boston measures 341 feet in length, and 80 feet in breadth, and has a depth of water of 30 feet. But, although the depth of water in the dock is 30 feet at high water of spring tides, the fall of the tide is only 13 feet, which leaves 17 feet of water to be pumped out of the dock by means of a steam-engine every time a vessel is admitted for repair, an operation both tedious and expensive. The material used in their construction is a grey-colored granite from Quincy in Massachusetts, and, as far as regards workmanship and general execution, they are inferior to no marine works which I have ever seen. These graving docks are believed to have cost about 152,000*l.* each. They are the finest specimens of masonry which I met with in America, and are equally creditable to the government of the United States, and to Mr. Baldwin, the engineer under whose direction they were constructed.

In the American harbors, the method of careening, or laying vessels on their sides to get at their lower timbers, is still often resorted to. I, however, met with three different mechanical arrangements for raising vessels from the water, when decay or damage renders this operation necessary for effecting their repair. In one of these arrangements, the requisite object is attained by the use of an inclined plane, (on the well known principle of Morton's patent-slip, but of a very rude description,) on which vessels are drawn ashore by means of a system of wheel-work driven by a steam-engine.

The second method, which savors more of originality, is called the screw-dock, the operation of which I witnessed on one occasion in the harbor of New York. The vessel to be raised by this apparatus was floated over a platform of wood, sunk to the depth of about ten feet below the surface of the water, and suspended from a strongly built wooden frame-work by sixteen iron screws four and a half inches in diameter. This platform has several *shores* on its surface, which were brought to bear equally on the vessel's bottom, to prevent her from canting over on being raised out of the water. About thirty men were employed in working this apparatus, who, by the combined power of the lever, wheel and pinion, and screw, succeeded, in the course of half an hour, in raising the platform, loaded with a vessel of two hundred tons burden, to the surface of the water, where she remained high and dry, suspended between the wooden frames. At Baltimore I saw a large screw-dock, constructed on the same principles, on which the platform for supporting the vessel was suspended by forty screws of about five inches in diameter.

The last of those methods to which I have alluded, is an apparatus called the hydraulic-dock, a beautiful application of the principle of Bramah's press, to produce a power capable of raising vessels of 800 tons burden. In this apparatus, as in the screw-dock, the vessel is raised on a platform swung between two frames. In the hydraulic-dock, however, the platform is suspended by forty chains, twenty on each side, which pass over cast-iron pullies, supported on the top of the wooden frame-work. The lower ends of the chains are fixed to the platform, and the upper ends to a horizontal beam of wood, which is attached by means of a crosshead to the ram of a hydraulic engine. When the ram, therefore, which is placed in a horizontal position, is moved, by the injection of water into the cast-iron cylinder in which it works, the motion is communicated to the horizontal beam, and thence, by the suspending chains, to the platform bearing the vessel, which is thus slowly raised to the surface.

The cylinder and ram of the particular apparatus which I saw, were made in England, at the works of Messrs. Bolton and Watt. The fixtures of the cylinder are imbedded in a large mass of masonry, so as to render it quite immoveable. The perfect stability of this part of the apparatus is obviously of the highest importance, as the safety of the suspended vessel depends in a great measure on the attainment of this object. The external diameter of the water cylinder is twenty-eight inches, and its internal diameter is twelve inches. The ram which works in it is eleven inches in diameter, and ten feet in length. There are several racks attached to the apparatus, for supporting the platform, and taking part of the weight off the ram after the vessel is suspended. When she is ready to be lowered, these racks are unshipped, and the water being permitted to escape through a small aperture provided in the cylinder for that purpose, the vessel slowly descends into the water. The water is injected into the cylinder by a high-pressure steam-engine, of six horses' power, and the attendance of four persons is all that is necessary to raise a vessel of 800 tons register. The perpendicular *lift* of these docks is ten feet, which is found to be sufficient: the rise of tide in New York harbor being only five feet at spring tides, renders a greater height unnecessary.

The screw and hydraulic docks belong to a party of private individuals, called the "New York Screw-Dock Company," who derive a considerable revenue from raising vessels by their ingenious apparatus. The following are their terms:—

For vessels under 75 tons, 3*l.* per day.

Single-decked vessels of 75 tons and upwards, 10*d.* per ton per day.

Double-decked vessels of 75 tons and upwards, 1*s.* 0½*d.* per ton per day.

After the first day, the charge is

For vessels under 170 tons, 3*l.* per day.

For all vessels of 170 tons and upwards, 4½*d.* per ton per day.

Cargo or ballast is charged at the rate of 1*s.* 0½*d.* per ton.

The wharves in the harbor of New York, are in general the property of private individuals, possessing the land on the margin of the river. Some of them also belong to the corporation of New York. The wharfage dues are collected by the owners of the respective quays, and vary in their rates according to the local advantages which the sites possess, and the pleasure of the parties to whom they belong.

Vessels have, occasionally, been damaged while lying at the quays of New York, by the vast masses of floating ice which, upon the breaking up of the frost, are brought down from the interior of the country by the waters of the Hudson. For the protection of shipping against the recurrence of such accidents, which, however, are liable to affect only the vessels lying on the western side of the town, the erection of a breakwater in the river above New York harbor, has been for some time contemplated.

Before quitting the subject of harbors, I shall make a few general remarks on some of the other American ports of consequence.

Boston, in Massachusetts, is generally supposed to rank next in importance to New York and New Orleans. The town is situated at the head of Massachusetts Bay, which extends over about fifty miles of coast between Cape Ann and Cape Cod, and contains within its limits many excellent anchorages. Boston Bay, in which the harbor has been formed, is a sheltered inlet of about seventy-five square miles in extent, enclosed by two necks of land, which so nearly approach each other as to leave only a very narrow entrance communicating directly with the Atlantic. The exports from Boston are of a varied nature, consisting chiefly of the produce and manufactures of that part of the United States called New England. The population of the town is about 80,000. Its situation is curious. Placed on a peninsula having deep water close in-shore, and almost entirely surrounding it, it is connected with the adjoining country by means of a dam and seven wooden bridges, of which the most extensive is about a mile and a half in length. The dam consists of an embankment of earth 8000 feet in length, enclosed between two stone retaining walls. It serves the double purpose of affording a means of communication, and also forming a large basin, in which the tide-water being collected, a water power is created for driving machinery.

The quays at Boston are constructed in the same style, and of the same materials, as those of New York, but more attention has been paid by the builders to the durability of the work. Some of the wharves extend about a quarter of a mile into the harbor, and are of sufficient breadth to have a row of warehouses built on them. The rise of tide in Boston harbor is thirteen feet in spring and nine feet in neap tides. In the suburb called Charlestown, which is connected with Boston by means of three wooden bridges, is situate the navy-yard of the United States, and the graving-dock already noticed.

Philadelphia is a town of 230,000 inhabitants, and stands on a peninsula between the rivers Delaware and Schuylkill in the state of Pennsylvania. Its harbor is at the head of the ship navigation of Delaware Bay, a vast arm of the sea, which is navigable for vessels of the largest class as far as Philadelphia, a distance of about a hundred miles from the Atlantic Ocean. In the bay of Delaware the tide has generally a rise of only three feet, but it is sometimes much increased by the state of the winds.

The town of Baltimore contains a population of about 80,000 inhabitants, and lies on the north side of the river Patapsco, about fourteen miles from its mouth. The basin forming the harbor is a splendid sheet of water, in which it is said 2000 vessels could ride at anchor with ease.

Chesapeake Bay, which receives the waters of the river Patapsco, on which Baltimore stands, is navigable for 200 miles from the ocean, and forms an outlet for the trade of the ports of Baltimore, Annapolis, Washington, Fredericksburg, Richmond, and Norfolk, and receives the waters of the Susquehannah, Patapsco, Potomac, and James rivers. The rise of tide at Baltimore is about five feet, but is much influenced by the state of the wind, which has a great effect upon the waters of Chesapeake Bay.

Charleston, in South Carolina, is a port of considerable size, built on a tongue of land formed by the rivers Ashley and Cooper. There is a bar at the entrance of the harbor with only twelve feet of water on it at low tides, but within the bar there is a good anchorage. The rise of tide in this harbor is about six feet.

As I had it not in my power to visit the Mississippi, I cannot speak of the port of New Orleans from personal knowledge; but as it is certainly the most important in the southern states, I felt unwilling to omit all mention of it in this sketch, and therefore applied to my friend Captain Basil Hall, who has kindly sent me the following notice on the subject.

"You are quite right," says Captain Hall, "to include New Orleans in your list of American harbors, for though it is not strictly a sea-port, it answers all the purposes of one in a remarkable degree. New Orleans lies at the distance of about a hundred miles from the Gulf of Mexico, and the ebb and flow of the tide do not reach so high as the city. The level of the river is, however, subject to fluctuations, in consequence of the changes in the supply of water from the upper countries through which it flows. It rises from January to May, remains full all June and a part of July, after which it begins to fall, and goes on decreasing in height till September and October, when it is lowest. The perpendicular difference in height of the surface of the Mississippi at New Orleans, is about thirteen or fourteen feet, and when at its lowest, it is nearly on a level with the sea at the mouth of the river, so that the flow is then scarcely perceptible.

"In former times, before steam-navigation was known, there was great delay, and considerable difficulty as well as danger, in getting from the sea to New Orleans, in consequence of the opposing stream, the numerous shoals, and the very tortuous nature of the course, which rendered it scarcely possible to sail up all the way with the same wind. To these annoyances may be added the very bad nature of the anchoring ground every where, and the difficulty as well as risk of lashing large vessels to the banks of such a river. All these things rendered New Orleans a harbor highly objectionable in a nautical point of view.

"Now, however, that steam has got command of 'time and space,' New Orleans may be considered an excellent sea-port, safe, and as easy of access as of egress. I need not mention that there are at all times any number of steam-tugs ready to take ships down the river, or to bring them up. When I was there in April, 1827, eleven years ago, several steam-boats left the city every evening about sunset, each having in tow one or more vessels astern, besides one, two, or three lashed on each side, so that the boat was often quite hid by the cluster around her. In this way they proceeded down, and at daylight came to the bar which lies across the mouth of the river, opening into the Gulf of Mexico. On reaching the sea, or rather before they reached it, the steam-boats cast off their companions, and left them to be taken in charge by their respective pilots, unless in cases of calm or contrary wind, when, of course, they got a tow into the offing.

"The most important service of these steam-boats, however, is to tow ships up the river, for although it is always troublesome, and often very dangerous, to drop down with the current from New Orleans to the sea, it can be and is done, even without the help of steam. But to make way upwards against the Mississippi is a most heart-breaking work without such aid, and now-a-days the attempt would be considered absurd. Accordingly, the steam-vessels which have carried down the ships during the night, and have launched them in safety over the bar into the salt sea, look about them for others, which having made the land, are ready to enter the river. These they seize upon, and either take in tow, or lash alongside of them, and tow up to New Orleans. Of course they cannot, as in the downward case, carry along with them such a cluster as they brought down, nor is it likely that they will often be called upon to exert their strength so far, for the ships arrive off the river by one or two at a time, and are not prepared, as within the port, to start in bodies at a given time.

"In this way, it may be fairly stated, that New Orleans, though a hundred miles from the sea, is virtually one of the best and most accessible ports in the Union. It may be added, that, as all the ships lie alongside of the levée or embankment which separates the river from the city, and which serves the purpose of a perfectly commodious wharf, and as the water is always smooth, nothing can be more easy and secure than the communication, both for loading and unloading goods. The ships lie alongside of each other in tiers, and I have seldom seen, in any country, such a forest of masts.

"Abreast of the upper part of the city may be seen, in like manner, numerous tiers of steam-boats of gigantic dimensions, just arrived from, or preparing to start for, the upper countries, through which the Mississippi and its innumerable tributaries pass. And farther up in this most extraordinary of harbors, lie crowds of huge rafts, or arks, as they are called,—rude vessels without masts, which have dropped down the river, and are loaded with that portion of the produce of the interior which will not bear the expense of steam-carriage.

"At every hour,—I had almost said at every minute of the day,—the magnificent steam-boats which convey passengers from New Orleans into the heart of the western country, fire off their signal guns, and dash away at a rate which makes me giddy even to think of.

"I must now conclude this brief notice, by regretting that the limitation in your time did not allow you to visit, and to describe in detail, this most remarkable of all the wonderful commercial phenomena,—as it may be called,—which the great western confederacy of states presents to the traveller, namely, a mighty city built in the midst of one of the most unhealthy swamps on earth, and a port, 100 miles from the sea, which rivals, in all essential respects, that of New York or London; possessing, moreover, an uninterrupted and ready communication with the interior parts of a vast continent, to the distance of thousands upon thousands of miles, every where rife with civilization, though, but a few years ago, the whole was one vast wilderness, the exclusive abode either of alligators, wild beasts, or savages!"

These are the most considerable ports in the United States; but, in addition, it may not be amiss shortly to notice the following bays and sounds, which deserve attention, as many of them afford good anchorage and sheltered lines of navigation.

Passamaquoddy Bay is situate at the boundary between the British dominions and the United States. It receives the waters of the river St. Croix, the boundary line between the two countries. The tide in it rises twenty-five feet.

Penobscot Bay receives the waters of the Penobscot River, and has a rise of tide of ten feet.

Narragansett Bay is navigable for vessels drawing sixteen feet of water to the town of Providence, which is about thirty-five miles from the sea. The town of Newport, in this bay, though a place of little importance, has one of the finest natural harbors in America.

Long Island Sound lies between the mainland and Long Island, and extends in a northeasterly direction from New York harbor. It affords a sheltered line of navigation of about a hundred and twenty miles in extent.

Albemarle and Pamlico Sounds, in North Carolina, are more remarkable for their curious geological formation, than for any advantages held out by them for navigation, for which the difficulties of their entrance and shallow water wholly unfit them. The narrow stripes of land, by which these sounds are separated from the Atlantic Ocean, stretch along the coast for a distance of about two hundred miles, and extend about forty miles south of Pamlico Sound. They are very little elevated above the level of the sea, and from their alluvial formation appear to have been gradually deposited by the Gulf Stream, which flows from the Gulf of Mexico, charged with the sediment and earthy matters borne down by the Mississippi and other streams which discharge themselves into the Gulf of Mexico.

Chatham, Appalachee, and Mobile bays, in the Gulf of Mexico, are not reported as possessing, in any extraordinary degree, the qualifications of good havens, and, as already noticed, there is very little rise of tide on this coast. It may also be mentioned, that the hot and unhealthy climate of all the southern ports of the United States, from Charleston to New Orleans inclusive, as well as the nature of the slave population of the southern states, renders them very unsuitable for the growth of that hardy race of seamen, of which the northern ports of the country are the true and only nurseries.

The naval-yards belonging to the government of the United States are established at Boston, Portsmouth in New Hampshire, New York, Philadelphia, Washington, Norfolk in Virginia, and Pensacola in the Gulf of Mexico; and those of them which I had an opportunity of visiting seemed to be very well regulated. Considering the natural advantages held out by that country, and the abundance of fine timber produced in it, it is not surprising that the Americans have bestowed so much attention upon naval affairs, or that their efforts should have been crowned by so great success in the improvement both of inland and maritime navigation. The genius of the people for naval affairs is doubtless the birthright of their British origin, and their patrimony has been improved by the energy which characterizes all their efforts.

Quebec is the seat of government of Lower Canada, and, in a commercial point of view, is the first port in the British dominions in America. It is situate at the junction of the river St. Charles with the St. Lawrence; and, though distant fully 700 miles from the Atlantic ocean, the spacious and beautiful bay of Quebec, formed by the junction of the two rivers, affords a noble deep water anchorage for vessels of all sizes, and almost in any numbers.

The bay measures about three miles and three quarters in length, and two miles in breadth, and the water in some parts of it is twenty-eight fathoms in depth. The population of the town is about 22,000, and its trade consists in the export of wood, potash, and furs, the produce of Upper and Lower Canada. The rise of tide at Quebec is twenty-three feet in spring tides, and the quays and wharves there, as well as in the harbors of the United States, are constructed entirely of wood.

The ferry-boats at Quebec, plying between the opposite sides of the river, which is about a quarter of a mile in breadth, are propelled by horses and oxen. These animals are secured in small houses on the decks of the vessels; and the effort they make in the act of walking on the circumference of a large horizontal wheel, produces a power which is applied to drive the paddle-wheels of the ferry-boat, in the same manner as the motion of the wheel in the tread-mill is applied to the performance of different descriptions of work. I have seen horse ferry-boats in Holland, and, I believe, they have also been used in America, in which the power was more advantageously applied by means of an apparatus like the gin of a threshing-mill, in which case the horses are not stationary, but are made to walk in a circle, and the motion communicated by them to an upright shaft, is conveyed, by means of wheel-work, to the paddle-wheels of the vessel. A boat of this kind was used for some time in England, between Norwich and Yarmouth.

Montreal, which is 180 miles to the westward of Quebec, and 880 miles from the ocean, is at the head of the ship navigation of the St. Lawrence, and considerably above the influence of the tide. The town is built on the island whose name it bears, which is situate at the junction of the Ottowa, or Grand river, with the St. Lawrence. The quays and landing slips at Montreal are built of stone; and in this respect it differs from the other American ports which I have noticed. The material used in their construction is a blue limestone, which is very abundant throughout the greater part of Canada, and is much used in all building operations. The trade of Montreal is of the same description as that of Quebec, though not so extensive.

Halifax harbor is considered one of the finest in the world, and is calculated to afford anchorage for upwards of a thousand vessels of the largest class. It is a place of very considerable importance, for through it comes much of the trade of Nova Scotia; and it is the British post packet station for Canada.

Such is a brief sketch of the construction and capabilities of some of the principal harbors of America, in the formation of which nature has done so much, that little has been left for the labor of man, and works of an extensive and massive description, and operations such as are found to be indispensible in rendering European harbors accessible or commodious, have there been found to be unnecessary. By erections of a temporary description, constructed of wood, the inhabitants have been enabled, along the whole line of coast, to afford, at a very small cost, accommodation for an extent and class of shipping, to obtain which, in any other quarter of the globe, would have involved an enormous investment of capital, and a much greater consumption of time.

Art. V.—LAWS RELATIVE TO DEBTOR AND CREDITOR.

No. I.

MEANS OF ENFORCING DEBTS AGAINST CITIZENS OF THE STATE OF MAINE.

By the statutes of Maine, no person can be arrested on any suit, founded on contract express or implied, bond or other specialty, or on a judgment in contract where the sum demanded, nor on any execution issued on any judgment, where the debt or damages are less than ten dollars, nor on any suit on a judgment or on an execution issued on a judgment founded on any prior judgment, where the original debt or damages are less than ten dollars. In all other cases in contracts, express or implied, bond or other specialty, or on a judgment in civil actions, no person shall be arrested or imprisoned on mesne process, and no such process shall run against the body of such debtor, nor shall any person be arrested or imprisoned on any execution issued on any judgment on such contract, bond, specialty, or judgment, nor shall any such execution run against the body of such person, except as hereinafter excepted.

In all actions not founded on contract, express or implied, or on judgment on such contract, as above is provided, process shall run against the body of the defendant, and he or she may be arrested or imprisoned in mesne process.

If property belonging to a debtor can be found, it may be attached on mesne process, or original writ, as it is called, in contradistinction to an execution. When personal property is attached by an officer, he either takes and retains possession of it, or permits the debtor to resume it, by giving receipters; that is, one or more of his friends, of sufficient property in the estimate of the officer, gives to him an accountable receipt for the property attached by him on the original writ. Property attached must be levied on in thirty days after final judgment, or the lien created by the attachment is lost. If neither personal nor real property of the debtor can be found to attach, the original writ is served by leaving a summons with the debtor, and not by an arrest and commitment, or holding him to bail.

PROPERTY EXEMPT FROM ATTACHMENT AND EXECUTION.

Sympathy for the unfortunate debtor, and an enlightened regard for the situation of himself and family, have induced the legislature at different times to exempt certain portions of his property from all suits, distresses, or executions. The articles exempted are, the arms, equipments, and uniforms, of officers and privates in the militia; wearing apparel, beds, bedsteads, bedding, and household utensils, of any debtor, necessary for himself, his wife and children; the tools of any debtor necessary for his trade or occupation; the bibles and school books which may be in actual use in his or her family; all cast-iron stoves and stoves made of sheet-iron, used exclusively for the purpose of warming buildings; *provided*, that not more than one such stove to each building owned or occupied by the same person or family shall be exempted; and provided also, that the beds and bedding exempted as aforesaid, shall not exceed one bed, bedstead, and necessary bedding for two persons, nor the household furniture exceed fifty dollars in value; one cow, one swine, ten sheep, with the wool which may be shorn from them, and thirty hundred of hay for the use of said cow, and two tons for the use of said sheep. One cow, and one heifer or calf, until the heifer or calf becomes three years old, or shall have had a calf, are exempt; also, two swine, one of which is not to exceed in weight one hundred pounds. When a debtor owns a cow and heifer more than three years old, or which has had a calf, or two swine, each exceeding in weight one hundred pounds, the debtor, by himself or agent, may elect either of the former, and either of the latter, to be exempt from attachment. All produce of farms, while standing and growing, and until harvested, and corn and grain necessary for the sustenance of a debtor and his family, not exceeding thirty bushels, and all the debtor's interest in one pew in any meeting-house where he and his family statedly worship, are also exempted. So are all potatoes raised or purchased by any person for the consumption of himself and family. Also, all firewood conveyed to any person's house for his family's use, to the extent of twelve cords at one time. Boats, not exceeding two tons burthen, usually employed in the fishing business, are exempt; but not more than one boat to one individual; the boat must belong wholly to citizens of the state. The family burying-ground is also exempt from attachment, while used as such, and not cultivated; but it must not contain over one half of an acre. One plough, of the value of ten dollars, one cart of the value of twenty-five dollars, one harrow of the value of five dollars, and all necessary hand farming tools of the value of ten dollars; and one cooking stove of the value of thirty-five dollars, are exempted. So also are all anthracite and bituminous coals, and all charcoal, conveyed to the house of any person for the use of himself and family, not exceeding five tons or chaldrons of anthracite or bituminous coals, and fifty bushels of charcoal, and that only when used for domestic purposes. Any person who shall raise from his or her own cow or cows, or who shall purchase and pay for one pair of bull or steer calves, under one year old, shall hold the same exempt from attachment and execution, so long as they shall remain the property of the person raising or procuring the same.

Such are the liberal provisions of the laws of Maine; mindful of the protection which they extend to the farming interest, and of the generous character of the acts for the promotion of the settlement of her public lands, well may the poor but honest debtor, who is exposed to the "distress infinite," and infinite distress of the laws of New York in regard to landlord and tenant, exclaim to the sturdy yeomanry of our sister state,

> "O fortunatas nimium, sua si bona norint,
> Agricolas."

It may be here remarked, that *choses in action* are not attachable in Maine; almost every other interest which an individual or a corporation possesses can be reached by attachment. A right in equity to redeem mortgaged property, and the estate, right, title, or interest which any person has by virtue of a bond or contract in writing, to a conveyance of real estate upon condition to be performed by him, whether he be the original obligee or assignee of the bond or contract, are liable to attachment and execution. So also is the franchise of a corporation.

In case the debtor has goods, effects, or credits, entrusted to a third person, which cannot be attached by the ordinary process of law, his creditor may sue out a trustee writ or process of foreign attachment, as it is called, which requires the supposed trustee to disclose the state of his affairs with the debtor at the time the process was served upon him; upon examination on oath, and in writing, he is charged as trustee or not, as the court shall upon consideration determine.

If a debtor reside out of the state, owning property within it, the property may be attached; and the court will order such notice to be given to the defendant as the case may require.

ARREST ON MESNE PROCESS.

Any person not a resident of the state, and who is about to depart therefrom, may be arrested on mesne process, and held to bail or committed to prison, if the creditor, his agent, or attorney, will make oath or affirm, that he believes the debtor is about to depart, and take with him property or means exceeding the amount required for his immediate support, and that the demand in the writ, or the principal part thereof, is due.

The debtor so arrested, on demand made by him on the officer who arrested him, or the jailer, must be taken before two justices of the quorum, to be selected by him, to disclose the state of his affairs; notice of the time and place must be given to the creditor or his attorney; if he disclose and answer all interrogatories, and will sign and offer to make oath to the same, the justices shall administer such oath, and discharge the debtor from arrest or imprisonment, or remand him, as the case may be; in case of his discharge, no execution shall run against his body in that suit; otherwise, if he be not discharged.

All attachable property which the debtor may disclose at such examination, or so much as the creditor may designate to satisfy his demand, is held as attached from the time of the disclosure, and the officer must make return thereof in the writ.

If a person be served with writ or process in any other manner than by arrest of the body, he may disclose the actual state of his affairs, and the justice or court may determine that execution shall issue against his estate or property only, or otherwise, as the justice or court may require; the attachable property disclosed is held as attached.

Whenever any person is arrested or imprisoned on mesne process in a civil action, he may be released by giving bond to the creditor, with surety to be approved by a justice of the quorum, in double the amount for which he is imprisoned, to disclose the state of his affairs within fifteen days after final judgment against him in the suit; he must notify the creditor to attend; if, on examination, it appears that he has attachable estate or property, the judgment is a lien on it for thirty days after the examination and disclosure; and the debtor shall go at large on the bond given when he was arrested, until the creditor elect to levy his execution on the property disclosed, or on the body of the debtor; if the debtor does not on his disclosure entitle himself to a discharge, he shall be committed to prison, unless the creditor within thirty days elect to levy the execution he may obtain on the property disclosed, in which case the body of the debtor is forever discharged from any execution founded on the judgment.

ARRESTS ON EXECUTION.

A debtor arrested or imprisoned on execution issuing on a judgment in a civil suit, upon giving bond to the creditor, and with a surety or sureties to be approved by the creditor or two justices of the quorum, conditioned that within six months he will cite the creditor before two justices of the quorum and submit himself to examination, and take the oath hereinafter given, or pay the debt, interest, costs, and fees, may be discharged; if he fail to fulfil the condition of the bond, the same shall be forfeited, and judgment on any suit on such bond, is rendered for the amount of the execution, and fees, and costs of commitment, with interest thereon at twenty-five per cent.; a suit on the bond must be commenced within a year after forfeiture.

The acts for the relief of poor debtors have been numerous, loose, and defective. The practice was very general for the debtor, after giving the six months' bond to the sheriff, to apply to a justice of the peace, requesting him to issue a citation to the creditor, notifying him of his desire to disclose and take the oath. Blank forms for such purpose were printed. The statute did not expressly state how the debtor was to cite the creditor. It was held by the supreme court of the state, in the case of Knight *v.* Norton et al., decided in 1838, but not yet reported, that the debtor must apply in writing to the keeper of the jail, who must then apply to a justice of the peace of the county, who should thereupon issue a citation to the creditor, or his attorney, to attend the disclosure of the debtor.

This decision caused great surprise and alarm, for it followed that the bonds of debtors were forfeited who had disclosed without conforming to the preliminary proceedings declared to be necessary by the court as they construed the statute. Where the citation was issued by a justice on application of the debtor, and the year from the forfeiture had not elapsed, parties commenced suits on the bonds, even in cases where the creditor or his attorney had been present at the examination of the debtor, not only with the hope of recovering their debts from the sureties, but also the twenty-five per cent. interest.

The promulgation of the opinion of the court caused the legislature, at its next session in 1839, to pass an act for the relief of sureties on poor debtor's bonds; and so pressing did they consider the exigency, that a clause provided it should take effect from and after its passage; without that provision, it would have been under the operation of the general provision of law, which prevents acts from taking effect until a certain number of days have elapsed after the close of the session at which they were enacted.

It provided that in all cases pending or to be commenced on such a bond, where justices of the peace issued the notice to the creditors, or where the notice signed by the debtor was duly served upon the creditor or his attorney, the defendant should be entitled to a trial by jury, who should assess the damages, if any, the plaintiff sustained; if, in their opinion, he had sustained none, they were to return a verdict for the defendant, notwithstanding there may have been in law a breach of the conditions of the bond. This law was acceptable to the people, and put an end to the suits brought on bonds; though it seems, to say the least, to push legislation to the very verge of constitutionality.

A precedent, however, may be found for it, in the act of 1834, which provided, that no action should thereafterward be maintained to recover damages for an escape of any debtor committed on execution, except a special action of the case; the action of debt having been previously in use. This act was pronounced to be not unconstitutional on the ground of operating retrospectively, or disturbing vested rights, by the supreme court of the state, in the case of Thayer et al. *v.* Seavy, 2 Fairfield, 284; and they decided that it operated upon actions pending previous to its enactment.

POOR DEBTOR'S OATH; LEGISLATION.

The oath to be administered to poor debtors, is as follows:

"I, ————, do solemnly swear, (or affirm, as the case may be,) that I have not any estate, real or personal, in possession, reversion, or remainder, except the goods and estate exempted by law from attachment and execution, (and the property I have now disclosed, as the case may be,) and that I have not, since the commencement of this suit against me, or at any time, directly sold, loaned, leased, or otherwise disposed of, or conveyed, or entrusted to any person or persons whomsoever, all or any part of the estate, real or personal, whereof I have been the lawful owner or possessor, with any intent or design to secure the same, or to receive or expect any profit, advantage, or benefit therefrom personally, or that any or all of my family, heirs, or friends, shall receive or expect any profit, advantage, or benefit therefrom, with an intent or design to defraud any of my creditors. So help me, God! (Or,—this I do under the pains and penalties of perjury.)"

It has been before stated, that choses in action are not attachable. Of course, the debtor would, on his examination, readily admit that he had negotiable promissory notes and bank bills; they could not be attached; he disclosed them and kept them for his own use, for the law did not provide that he should surrender them. He therefore received his discharge from the justices. In some cases, where the debtor felt that the oath was one he could hardly take, he found some magic influence in the words, "to defraud my creditors," and concluded he should not swear falsely if he had disposed of his property since the suit, but did not intend to defraud his creditors, though he concealed his property!

To obviate some of these difficulties, the legislature, by an act passed in 1839, explanatory of and in addition to the acts for the relief of poor debtors, authorized justices of the peace to issue notice to creditors upon application of debtors arrested or committed on warrant of distress or execution for the purpose of taking the poor debtor's oath; thus establishing by law the very course which the supreme court, by a circuitous process of reasoning, decided to be invalid. The act contains this section, that "whenever any debtor shall make a disclosure under any of the several acts to which this is additional, and shall, in such disclosure, disclose any bank bills, notes, accounts, bonds, or other chose in action, or any property, not exempt by law from attachment, which cannot be come at to be attached, then, and in such case, if the debtor and creditor cannot agree upon the amount of such property which shall go to the creditor in discharge of the debt, the debtor shall choose one man, the creditor another, and the magistrate a third, all disinterested, who shall, under oath, appraise off sufficient property thus disclosed, to pay the debt, and the debtor shall therefrom be discharged; and in case the creditor shall not appear at the disclosure of said debtor, or, appearing, shall refuse or neglect to choose an appraiser, the justices shall appoint a man for him, to appraise such property as is disclosed as aforesaid."

This law is another evidence of the futility of legislation in regard to a system imperfect and difficult to administer in a manner which shall be just to debtors and creditors. The practical operation is this: a person about to disclose, will take care not to be in possession of any valuable choses in action, if he wishes to protect his means; or if he be perfectly upright, having collected and used the best of his claims for his support, the residium of his notes and accounts will be almost worthless. In the latter case, is the creditor *obliged* to take this kind of property in discharge of his debts? If the disinterested appraisers, appraise off $1,000 of doubtful paper, is the creditor *obliged* to take it in discharge of his debt of $500? This is a serious difficulty. It is a law made to prevent the retaining of choses in action by a debtor; but instead of making him disgorge in a manner which would benefit the creditor, it subjects the latter to what most persons esteem an arbitrary, if not an unconstitutional enactment; at any rate, it is believed, that this provision has not been productive of any advantage to creditors.

PROCEEDINGS IN CASE DEBTOR COMMITTED IS UNABLE TO SUPPORT HIMSELF IN PRISON.

If a person committed to prison on execution, complains to the keeper that he has not estate sufficient to support him there, the keeper must apply to a justice of the peace, who must make out a notification under his hand and seal to the creditor, of such prisoner's desire to take the benefit of the oath above transcribed, and of the time and place of caption, which must be served on the creditor, if living in the state, or if a non-resident, on his attorney, fifteen days before the day of caption; if no creditor or attorney live within the state, the notification must be left with the clerk of the court, or justice from whom execution issued, at least fifteen days before the intended caption.

Two justices of the peace and quorum may, at the time and place of caption, examine the notification and return, and if in due form, may hear, and if requested, take in writing the disclosure of the debtor; and if satisfied that it is true, may administer the oath above mentioned; they shall then make out a certificate thereof (as in the other case of satisfactory disclosure on execution) under their hands and seals, to the prison-keeper, and deliver it to the debtor, who must file it in the jailer's office; he shall then be discharged and set at liberty from commitment on the execution concerning which said notification issued.

PENALTY FOR DISCLOSING FALSELY.

If any debtor, authorized to disclose on oath or affirmation, according to the provisions of the acts, shall disclose falsely, or withhold or suppress the truth, he will, on conviction thereof, be adjuged guilty of perjury, and receive no benefit from his said oath or affirmation. The creditor may also commence a special action on the case against him, and he shall be held to bail in the writ; if judgment be rendered against him in the suit, it shall be for double the debt and costs, and he may be committed on the execution, without any privilege of release or discharge under the acts for relief of poor debtors.

The discharge of a debtor under the provisions of the acts, does not impair a creditor's right against his property.

If any person knowingly aid or assist any debtor or prisoner, in any fraudulent concealment of his property or estate, or any transfer thereof, to secure or conceal the same from creditors, to prevent the same from attachment or execution, he is answerable in a special action of the case to any creditor who may sue for the same, in double the amount of the property or estate so fraudulently concealed or transferred,—not exceeding double the amount of such creditor's debt. Persons committed by virtue of any warrant for the collection of any tax, are entitled to the benefit of the acts, by giving bond to disclose, etc.

If the jailer require security of the creditor or his attorney for support of the prisoner, in case he claims relief as a pauper, and it is not furnished within eight days after the request, or money advanced for such support, he shall discharge the debtor from prison. The bond taken by an officer, when he serves an execution, is returned therewith by him for the benefit of the creditor, who is entitled to the same on filing a copy with the clerk of the court, or justice to whom the execution is returned.

The fees allowed by law to the justices for their services, which are oftentimes tedious and vexatious, are so very inconsiderable, that the debtor, howsoever poor, is not so much troubled to raise the amount, as he is to find justices of the quorum of sufficient leisure to devote perhaps days to an investigation, for which they are entitled to the enormous fee of fifty cents each!

It may not be irrelevant to remark, that notes, accounts, etc., are outlawed in six years, with certain exceptions. An assignment of property for the benefit of creditors, must provide for an equal distribution of all the debtor's estate, real and personal, among such creditors, as after notice became parties thereto, in proportion to their respective claims, excepting such property as is by law exempt from attachment. The assignor must make affidavit to the truth thereof, a certificate of which must be made upon the assignment, by the magistrate before whom it was taken.

The assignees, within fourteen days after the assignment was made to them, must give public notice thereof, in a newspaper printed in the county where any of the debtors reside, or, if no newspaper be published at the time of the assignment in the county where any of the debtors reside, they must give the notice in any adjoining county, allowing three months to all creditors to become parties. The assignee is not liable to a trustee process on account of his having in his possession the property of the assigning debtor, until the expiration of three months from the time notice is given as above stated; nor is the property assigned liable to attachment during the said three months.

Art. VI.—MERCANTILE LAW REPORTS.*

COMMISSION BUSINESS.

1. *In the Supreme Court of the United States, January Term,* 1840. *William and James Brown and Co., Plaintiffs in Error,* v. *Thomas McGran.* In error to the Circuit Court of the United States for the District of Georgia.

Mr. Justice Story delivered the opinion of the Court:—

This is a writ of error to a judgment of the Circuit Court of the District of Georgia, rendered in an action in which McGran (the defendant in error) was originally plaintiff.

In the spring of 1833, McGran, a merchant in Georgia, shipped 200 bales of cotton, consigned to the plaintiffs in error, a house of trade in Liverpool, England, there doing business, under the firm of William and James Brown & Co., for sale on his account. The shipment was made under an arrangement with the house of Brown, Brothers, & Co., of New York, composed (as seems admitted) either wholly or in part of the partners in the Liverpool house, by which the New York house accepted a draft drawn upon them by McGran for 9,000 dollars, the invoice value of the cotton being only 9,151 dollars 77 cents, and were to reimburse themselves by a draft on the Liverpool house. Accordingly, the New York house on the 12th of March, 1833, addressed a letter to the Liverpool house, in which they state, "We enclose bill of lading for 200 bales of cotton, shipped by McLoskey, Hagan & Co., of Mobile, per ship Mary and Harriet, on account of Mr. Thomas McGran, of Augusta, on which you will please effect insurance. This cotton cost per invoice 9,151 dollars 77 cents. We have accepted Mr. McGran's draft against this cotton for 9,000 dollars—for which we shall draw on you for our reimbursement when it matures. In handing this draft for acceptance, Mr. McGran says he would not have drawn for so large an advance, were it not that there is a balance at his credit with you, which has accumulated within the past two years—so that if this should not produce enough to meet the advance, it will be covered by what is at his credit." The existence of any such balance was utterly denied at the trial, and the Liverpool house contended that there was a balance the other way.

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* Reported for the Merchants' Magazine.

The cotton only arrived at Liverpool on or about the 9th of April, 1833. The New York house drew on the Liverpool house, for their reimbursement, a bill dated the 7th of May, 1833, for 1,871*l.* 9*s.*, at 60 days sight, being the amount of the advance, and that bill was accepted by the Liverpool house on the 3d of June, 1833, and became payable, and was paid, on the 5th of August following. On the 3d of June, 1833, the very day of the acceptance, the Liverpool house sold the 200 bales of cotton (the market then being on the rise) on a credit, for the nett sum of 2,073*l.* 4*s.* 6*d.* After deducting the charges (which amount to nearly twenty-five per cent.) which became due and payable on the 16th September, 1833, and, according to an account current rendered to McGran by the Liverpool house, on the 29th June, 1833, the whole transactions between the parties, including the sale of this cotton, left a balance of 392*l.* 15*s.* 8*d.*, due to McGran.

At the time when the shipment was made, and the advance arranged therefor, no instructions were given by McGran touching the sale of the cotton. It accordingly went to the consignees as factors for sale, the advances having been as above mentioned, without any other contract than that implied by law as between a principal and a factor making advances, that is to say, that the factor is to make sale of the goods consigned to him according to his own judgment, in the exercise of a sound discretion as to the time and mode of sale, having regard to the usages of trade at the place of sale, and to reimburse himself out of the proceeds for his advances and other balance due him.

After the shipment and advance were so made, namely, on the 20th April, 1833, McGran addressed a letter to the Liverpool house, in which, after acknowledging the receipt of letters of the 4th and 5th of March from them, he added, "if you have any cottons on hand when this reaches you, in which I am interested, I wish you to hold them until you hear from me again."

The Liverpool house, in a reply to this letter, on the 24th of May, 1833, used the following language: "We are in possession of your esteemed favor of 20th ultimo, and your wishes, in respect to the cotton we now hold on your account, are noted accordingly." At this time, by advices received from other correspondents, the Liverpool house were in possession of information that at least as early as the 8th of April, 1833, McGran had failed in business. On the 22d July, 1833, McGran wrote a letter to the Liverpool house, acknowledging the receipt of their letter of the 24th of May, in which he says, "I have your favor of the 31st, (the 24th of May,) and note the contents; you will please sell my 200 bales of cotton soon after the receipt of this, unless you are of opinion you can do better by holding a little longer." This letter was received by the Liverpool house on or about the 23d day of August, 1833.

On the 7th of June, 1833, the Liverpool house informed McGran of the sale of the cotton, and in a letter under date of the 30th of July, 1833, in reply thereto, McGran expressed his surprise at the sale, and added, "I beg leave to refer you to my letter of the 20th of April last, the receipt of which you have acknowledged, instructing you not to sell any cottons you had on hand, in which I am interested, until you heard from me again; why did you sacrifice my cottons, as the draft drawn by Brown, Brothers, & Co., at 60 days, on account of these cottons, could not have been accepted more than a day or two before, as it went forward by the packet of the 8th of May? Therefore you had 60 days before you had any money to pay for me;" and after some other remarks in the style of complaint, he adds, "You will please take notice that I do not recognise the sale, and do not consider you authorized to sell the cotton before the time the draft drawn on you by Brown, Brothers, & Co., against this cotton, falls due. If the price is higher on that day than the day you sold it, I will expect you to allow the difference, and if it is lower, I will be prepared to pay you any balance I may owe you." To this letter the Liverpool house replied by a letter dated the 4th of September, 1833, in which they vindicate their conduct, and among other things said, "we beg you to bear in mind that there was a balance due us from you, on joint transactions with Mr. Clarke, that the two hundred bales in question were sold after the market had advanced a ½*d.* per pound, and that it barely squares the account. You had unfortunately been obliged to stop payment. We had the opportunity of paying ourselves by selling your cotton in a brisk market to a profit of ten per cent., and we ask whether it was reasonable, under such circumstances, to expect us to hold the cotton for a chance of farther profit, when the loss, if any, was certain to fall on us, and the profit not likely to go to you, but to your creditors, as was supposed, of whom we knew nothing. This would have been the extreme of injustice towards ourselves and our absent partners, without being any advantage to you;" and after some other remarks vindicating their conduct, they farther said: "We think you must admit, that, situated as you then were, you could not reasonably have expected us to hold the cotton, without pointing out in what manner we should be indemnified in event of loss thereby. That Brown, Brothers, & Co.'s draft was not due does not alter the case; we had become responsible some months before, by Brown, Brothers, & Co.'s acceptance of the draft of the shippers."

Here the correspondence between the parties seems to have closed. The present action was brought to recover damages against the Liverpool house, for a supposed breach of orders and their duty as factors.

At the trial there was an account current between the parties, and other evidence, before the jury; the whole evidence in the case, however, was introduced by McGran. Among other questions before the jury were the following:

Whether the advance made by the New York house was in effect an advance by the Liverpool house, either as agents or as partners in the latter; whether there was any balance due to the Liverpool house upon former transactions; whether McGran was insolvent or not according to the advices received by the Liverpool house; and whether, under the circumstances disclosed in the evidence, the Liverpool house had a right to sell the two hundred bales of cotton for their reimbursement, notwithstanding the wishes or orders contained in the letter of the 20th of April.

The jury at the trial found a verdict for the plaintiff, (McGran,) for $4,978 57 cents, under certain instructions given by the Court, upon which verdict judgment was accordingly rendered; and a bill of exceptions having been taken by the original defendants, the cause now comes before us for revision upon the points made, and instructions given at the trial.

The counsel for the defendants asked the court to instruct the jury, (1.) That the advance by the house of Brown in New York was in effect an advance by the house in Liverpool, and after the advance so made the shipper had no right to alter the instructions which were given at the time of such advance. (2.) That the house in Liverpool having advanced so large an amount on this cotton, having a previous unsettled claim against the shipper, and the shipper having afterwards, and before the sale of the cotton, became insolvent, the house in Liverpool had a right to sell for their reimbursement, notwithstanding the subsequent orders of the shipper.

The Court refused to give these instructions, and in our judgment with great propriety, as each of them involved matters of fact in controversy before the jury, upon which it was exclusively their province to decide.

If the defendants meant to draw from the Court an opinion in point of law upon the assumed facts, the proper mode would have been to have asked the Court to instruct the jury, that if they found the facts to be as thus assumed, then that the law was as these instructions stated. The Court then proceeded to instruct the jury, that if they found from the evidence in the cause, that the plaintiff had given instructions to the defendants by his letter of the 20th April, 1833, not to sell any cottons which the defendants might have on hand, when that letter reached them, in which the plaintiff was interested, until the defendants heard from him again, and that such instructions were received and recognised by the defendants, by the evidence in the cause, and particularly by a letter given in evidence as one from the defendants to the plaintiff, dated the 24th of May, 1833, in reply to the plaintiff's letter to them of the 20th of April, 1833, that then the defendants were not justifiable in law in the sale of the 3d of June, 1833, on account of the defendants having on that day accepted Brown, Brothers, & Co.'s draft for 1,871*l.* 9*s.* dated the 7th of May, 1833, at 60 days sight. It is observable that this instruction is given in absolute terms without reference to any other facts in the cause which might be found by the jury upon the evidence before them, and therefore must be deemed to apply to every posture of the facts which the evidence might warrant. It must, therefore, be deemed to apply to the case, although the advance was originally made by the New York house, for and on account of the Liverpool house, as agents or partners thereof, or the Liverpool house had entered into engagements prior to the advance, to become responsible for the reimbursement thereof to the New York house in the manner stated in the evidence, and although the plaintiff was, before the writing of these letters, actually insolvent and had failed in business, and that fact was known to the defendants.

One objection taken to this instruction is, that it leaves to the jury the construction of the language of the letters of the 20th of April and the

24th of May. It is certainly true as a general rule, that the interpretation of written instruments properly belongs to the Court, and not to the jury. But there certainly are cases, in which, from the different sense of the words used, or their obscure and indeterminate reference to unexplained circumstances, the true interpretation of the language may be left to the consideration of the jury, for the purpose of carrying into effect the real intention of the parties. This is especially applicable to cases of commercial correspondence, where the real objects and intentions and agreements of the parties are often to be arrived at only by allusion to circumstances which are but imperfectly developed. The present case sufficiently illustrates the distinction: McGran, in the letter of the 20th of April, says, that he wishes the defendants to hold any cottons on hand until they hear from him again. Now this language certainly ordinarily imports only a desire and not an order, and yet there can be no reasonable doubt that under particular circumstances a wish expressed by a consignor to a factor may amount to a positive command; so, in the reply of the 24th of May, the defendants say, your wishes in respect to the cotton we now hold on your account are noted accordingly; here again, the point is open, whether the language imports that the defendants construed the wishes of the plaintiff to be simply a strong expression of desire or opinion or a positive order, and also, whether the words "noted accordingly" import that the defendants took notice thereof, or took notice of and assented to obey the wishes or order of the plaintiff. The language is susceptible of either interpretation according to circumstances. If the case had been one of a simple consignment, without any interest in the consignee, or any advance or liability incurred on account thereof, the wishes might fairly be presumed to be orders, and the noting the wishes accordingly an assent to follow them. But very different considerations might apply, where the consignment should be (as the present is) one clothed with a special interest and a special property founded upon advances and liabilities; we think, therefore, that this objection is not, under the circumstances of the case, maintainable. It would be quite another question, whether the court might not, in its discretion, have assumed upon itself the right and duty of construing these letters. There is no novelty in this doctrine; it will be found recognised in Ekins *v.* Macklish, (Ambler's Rep. 184, 185,) Lucas *v.* Groning, (7 Taunt. Rep. 164,) and Rees *v.* Warwick, (2 Barn. & Ald. 113. 115.) But the main objection to the instruction is of a more broad and comprehensive character. The instruction in effect decides, that in the case of a general consignment of goods to a factor for sale, in the exercise of his own discretion as to the time and manner of sale, the consignor has a right by subsequent orders to suspend or postpone the sale at his pleasure, notwithstanding the factor has, in consideration of such general consignment, already made advances, or incurred liabilities for the consignor at his request, trusting to the fund for his due reimbursement. We are of opinion that this doctrine is not maintainable in point of law. We understand the true doctrine in this subject to be this: wherever a consignment is made to a factor for sale, the consignor has a right generally to control the sale thereof, according to his own pleasure, from time to time, if no advances have been made or liabilities incurred on account thereof, and the factor is bound to obey his orders. This arises from the ordinary relation of principal and agent. If, however, the factor makes advances or incurs liabilities on account of the consignment, by which he acquires a special property therein, the factor has a right to sell so much of the consignment as may be necessary to reimburse such advances, or meet such liabilities, unless there is some existing agreement between himself and the consignor which controls or varies this right. Thus, for example, if, contemporaneous with the consignment and advances or liabilities, there are orders given by the consignor which are assented to by the factor, that the goods shall not be sold until a fixed time; in such a case the consignment is presumed to be received by the factor subject to such orders, and he is not at liberty to sell the goods to reimburse his advances or liabilities until after that time has elapsed. The same rule will apply to orders not to sell below a fixed price, unless, indeed, the consignor shall, after due notice and request, refuse to provide any other means to reimburse the factor; and in no case will the factor be at liberty to sell the consignment contrary to the orders of the consignor, although he has made advances or incurred liabilities thereon, if the consignor stands ready and offers to reimburse and discharge such advances and liabilities.

On the other hand, where the consignment is made generally without any specific orders as to the time or mode of sale, and the factor makes advances or incurs liabilities, on the footing of such consignment, then the legal presumption is, that the factor is intended to be clothed with the ordinary rights of factors—to sell, in the exercise of a sound discretion, at such time and in such mode as the usage of trade and his general duty require; and to reimburse himself for his advances and liabilities out of the proceeds of the sale; and the consignor has no right, by any subsequent orders, given after advances have been made or liabilities incurred by the factor, to suspend or control this right of sale, except so far as respects the surplus of the consignment not necessary for the reimbursement of such advances or liabilities. Of course this right of the factor to sell to reimburse himself for his advances and liabilities, applies with stronger force to cases where the consignor is insolvent, and where, therefore, the consignment constitutes the only fund for indemnity. Such, then, being the relative rights and duties of the parties, we are of opinion, that the instructions given to the jury, by the learned judge in the circuit court, is not maintainable in point of law. The consignment was general to the Liverpool house for sale—the advances and liabilities were contemporaneous with the consignment; there were no contemporaneous orders limiting or qualifying the general rights of the factors, resulting from these circumstances; the consignor subsequently either failed in business or was believed to have failed; the wishes subsequently expressed by the letter of the 20th of April, even admitting them to have the force of orders, were unaccompanied with any other means of indemnity, or even with any offer of reimbursement of the advances or liabilities. Unless, then, upon the established principles of law, the consignor had a clear right to control the sale of the consignment by any orders which he might in his discretion choose to give, notwithstanding such advances and liabilities, which we are of opinion he had not, the instruction was erroneous.

We have not thought it necessary to enter upon any general examination of the authorities which support the doctrines which have been stated by us. But the opinion of Lord Chief Justice Gibbs, in Pothorier *v.* Dawson, (1 Holt's Rep. 383,) and the opinions of the judges in Graham *v.* Dyeter, (6 Maule and Selw. 1. 4. 5,) will be found fully to recognise some of the leading principles. Another instruction was given by the Court to the jury, upon the question of damages, supposing the Liverpool house by the sale had violated their proper duty. It was, that if the jury found, from the evidence in the cause, that cottons were selling for a higher price from the 3d of June, 1833, when the draft was accepted, and when the cotton was sold, until the time when the said draft was mature and payable, and if the evidence in the cause ascertains, at any time before the maturity of the draft, what such higher price was, and that the cotton belonging to the plaintiff could have been sold at such higher price, then the plaintiff was entitled to recover from the defendants the difference in price between the sum for which the defendants sold the cotton, and the sum at which it might have been sold before or at the maturity of the draft. This instruction was doubtless framed upon the ground that this was the claim of damages which the plaintiff asserted by his letter of the 30th of July, 1833. But as that letter was not assented to, or the claim recognised by the defendants, this claim could in no just sense be obligatory upon them, and as a general rule of law applicable to damages under like circumstances, we think that it cannot be maintained. Supposing the sale made by the defendants on the 3d of June to have been tortious, and in violation of orders, the plaintiff had his election either to claim damages for the value of the cotton on that day, as a case of tortious conversion, or for the value of the cotton on the 23d of August following, when the letter of the plaintiff, of the 22d of July, was received, which authorized a sale. If the price of cotton was higher on that day than at any intermediate period, he was entitled to the benefit thereof. If, on the other hand, the price was then lower, he could not justly be said to be damnified to any extent beyond what he would lose by the difference of the price of cotton on the 3d of June, and the price on the 23d of August.

For these reasons, we are of opinion, that both the instructions given by the Circuit Court to the Jury were erroneous, and therefore the judgment ought to be reversed, and the cause remanded, with instructions to that court to award a *venire facias de novo*.

IMPORT DUTIES.—KNIT SHIRTS AND DRAWERS.

2. *Circuit Court of the United States, before Judge Betts, January 20th,* 1840. *James Hall* v. *Jesse Hoyt.*

This action was brought to recover back the excess of duties demanded by the defendant, collector of New York, upon *knit shirts and drawers.* The defendant had demanded duty on them as *ready-made clothing;* the plaintiff insisted that they were subject to duty as *hosiery*, and that he was entitled to recover back the excess.

Samples of the article were exhibited; the shirts had a piece of cotton cloth sewed upon the opening in front, with two or three buttons sewed on upon one side and button holes worked on the other. The drawers had waistbands sewed on, with buttons and button holes, and tapes at the bottom. They were fit for wearing without farther work, and had been prepared before importation.

The plaintiff proved that the articles were made by hosiery manufacturers, upon the stocking frame. That they were dealt in by dealers in hosiery in England, and were there known as hosiery; that the cotton cloth was sewed on, button holes made, &c., by persons connected with the manufacturer, and as part of his business; also, the plaintiff proved that in the United States in the year 1832, and prior to it, they were imported from England and were known as hosiery goods; that they were kept by hosiery dealers for sale; that they would be furnished upon an order for hosiery, but not on an order for ready-made clothing; that they did not go in commerce under that name; that in invoices they were called shirts and drawers, woolen or cotton shirts and drawers, knit shirts and drawers, and hosiery shirts and drawers. They were not usually kept in ready-made clothing stores, but sometimes were. Ready-made clothing meant clothing cut from cloth to fit, and made by tailors' sewing.

On the part of the defendant, evidence was given, that the articles were kept by some dealers in ready-made clothing; that they were by some called ready-made clothing; that at the custom house, in 1832, and for some years before, duty had been demanded on these goods as on ready-made clothing, which duties, prior to the act of 1832, was acquiesced in.

The Court charged the jury, that the act of congress, in its use of the terms hosiery and ready-made clothing, must be construed in reference to the common use and meaning of the terms, unless they appeared to have acquired a separate and different meaning in commerce. If they had, that meaning was to prevail; and they must look to the meaning of the terms at the date of the act, and not at the present time, or as changed after the act was passed. That the practice of the custom house was only to be looked at as part of the evidence of the acceptance of the words by merchants dealing there; and, if the terms did not in commerce bear the sense there put upon them, the practice of the custom house could not govern the construction.

That in the present case the articles were clothing, and were ready made; they were therefore liable to duty as such, unless the jury should find that they were known in commerce under some other name, and charged with duty under such other name.

That if they were known under the name of hosiery, then, as that description of goods had been in the same section of the law charged with a lighter duty, it would not be subject to the heavier duty of ready-made clothing.

That hosiery was a word of more general signification than *stockings*, which was the word of the act of 1816, which was dropped in the act of 1828, and the word hosiery introduced. It signified a class or description of goods; and if the jury found that these goods were among importers and vendors and purchasers generally known in 1832, (the date of the act,) as hosiery, they would be liable only to the duty on hosiery, and the plaintiff was entitled to recover; otherwise, they were liable as ready-made clothing, and the defendant must have a verdict.

Verdict for plaintiff for $3,473.

M. Bidwell and D. Lord, jr., for plaintiff.

B. F. Butler, district attorney, for defendant.

3. *Circuit Court of the United States, before Judge Betts, January* 24, 1840. *D. Hadden* v. *Hoyt.*

This was an action to recover the excess of duties on *knit shirts and drawers;* and the evidence was similar to that of the case of Hall *v.* Hoyt. But in the present case, the defendant introduced the former collector of New York, who gave evidence that from the act of 1828 to that of 1832, the articles in question had, in pursuance of orders from the treasury, been charged with the duty on clothing ready made, and not with the duty on hosiery.

And the defendant's counsel insisted that the Court should charge upon this new evidence, that the act of congress of 1832, must in judgment of law be deemed to have reference to the then existing practice of the treasury department and its circulars to collectors, and that therefore, in this construction of the law, the articles were to be deemed as falling under the term ready-made clothing, and not under the term hosiery.

The plaintiff's counsel, to the contrary, insisted, that the words in the law must be construed as they would be understood in their common or commercial use; and not in any peculiar sense or use, practised by the treasury, and as such, known to congress. That the law was made to govern not the members of congress, but dealers in the article to whom the law was most addressed, and whose understanding of its terms should control.

The Court expressed doubt upon the question; and with the assent of the parties *pro forma*, charged that the jury were to be governed by the usual and well known name of the article, and meaning of the words of the law, as understood generally in commerce at the date of the act.

A verdict was rendered for $2,400, and the cause was carried up, by a writ of error, to the Supreme Court of the United States.

D. Lord, jr., for plaintiff. B. F. Butler, for defendant.

MERCANTILE LITERATURE.

Evils and Abuses in the Naval and Merchant Service Exposed; with Proposals for their Remedy and Redress. By William M'Nally, formerly of the U. S. Navy. Boston: 1839. Cassady & March. 12mo. pp. 202.

The volume before us is descriptive of evils that exist in the naval and merchant service. Mr. M'Nally has given real names and characters, bestowed praise or blame where he thought it was was wanted, and given his reasons for so doing, leaving the reader to judge how far his statements could be relied upon. He professes to have carefully avoided all coloring or embellishment. In a work of this kind, a writer, in order to promote the object he has in view, should avoid party political allusions if possible; this the author has not done, but he wishes to be understood as not having imbibed the opinions of any political party, as it is a subject of which he professes to know but little. The prominent distinction between the existing parties, according to his views, is "that one is in office and wishes to remain there, and that the other is out, and wishes to get in;" a distinction, in our apprehension, which neither party would very willingly admit. We would however recommend the volume to the attention of navigators, as containing hints and information that must prove highly useful.

MERCANTILE MISCELLANIES.

COTTON TRADE OF INDIA.

We find in the London Athenæum an account of a late meeting of the Asiatic Society. At this meeting, a paper was read by General Briggs "on the Cotton Trade of India." It appears from the Athenæum that one of the principal objects of this paper was to show that the people of Hindostan are as capable of furnishing Europe with cotton as the inhabitants of North America; and that, under proper arrangements, both the quantity and quality of their produce would fully suffice for all requirements of our manufacturers, without the necessity of our relying on the slave labor cotton of America. The paper began with a calculation of the quantity of cotton actually used in dress by the natives of India. Specimens of the several articles of costume were exhibited; and it was shown, that the dress of the male Hindoo contained 24½ square yards, and that of the female about 8½ square yards, which, allowing that they were renewed, on an average, at least once a year, the consumption would amount, among the whole population, to 374,000,000 pounds; and it might be fairly inferred, from the various other domestic uses to which cotton was applied in India, that as much again was so employed, making a total annual consumption, by the natives themselves, of 750,000,000 pounds. The quantity imported into England is from 4 to 500,000,000 pounds annually, and this is chiefly raised in America, not more than one tenth coming from India. The question naturally arises, why should this be? The causes of the supply from India, Gen. Briggs stated, were closely connected with the administration of the country; he should not farther allude to them in that place, but would proceed to demonstrate his position, that India might supply cotton sufficient for the manufactures of England, and if necessary, for the whole world.

It is needless to follow the details presented; but the result of a great number of statements and reports from the best sources showed evidently that scarcely any portion of the surface of India was unfit for the growth of some kind of cotton. The great table land of the Dekkan, the soil of which is formed of the debris of trap-mountains, is the cotton soil, *par excellence*, and is suited to the *gossipyum herbaceum*, the indigenous cotton of India. This soil lies upon limestone. It is rich vegetable matter, and is retentive of humidity; but in hot dry weather, it cracks into large fissures. It is at that season hard and clayey, and brittle, like coal. The clayey soil, so fit for the indigenous plant, is unsuited to that of America, which grows best in a light, dry, silicious soil; and as most former attempts to introduce the American cotton into India have been made upon the rich trap soil of the country, they had necessarily failed. But the soil best adapted to American seed is also found in India, near the coasts, where the aboriginal plant does not succeed. This was proved at the various experimental farms established by the East India Company, and on which the American plant was growing to perfection. In order to point out the differences which existed between the various sorts of cotton in use, a diagram was exhibited, showing various lengths of the fibres of different kinds.

In many specimens of cotton, the fibre had a flat tape-like appearance; while in others it looked like a string of oval beads, pointed at each extremity. Some kinds were more cylindrical than others, and the Surat and Sea Island cotton is thickest and narrowest, and the Tavoy and New Orleans flattest and thinnest. In length of staple, the American surpasses the East India; but the latter was the finest. Some idea of the extreme minuteness of the fibre of cotton might be formed from the fact, that it required thirty-five fibres to make the smallest thread spun at Manchester, 350 hanks of which weighed only one pound, and would measure 165 miles in length. But it had been shown that the natives of India could spin thread with the hand, four of which would be required to make up the bulk of one made by machinery at Manchester.

THE WHALE FISHERY.

Captain Dupetit Thouars, commander of the frigate Venus, has returned to Paris from his station in the South Seas for the protection of the French whale fishery, and has addressed a long report to the Minister of the Marine, containing the results of his experience as to the actual condition of this fishery, and the improvement to be introduced into it. It is to the following effect:

Captain Thouars goes into great detail as to the equipment of the vessels, which he recommends should never go beyond 350 to 450 tons, and should be specially constructed for the purpose. The captains of whalers, he strongly recommends, should not be expected to go out in the harpooning boats, but should always remain on board their vessels; and the practice of having two captains, one for the vessel, the other for superintending the actual operations of the fishery, should be abolished, as destructive of discipline among the crews.

The under officers of the vessel, on the other hand, he considers, should be active men, well acquainted with all the manual details of the service. Capt. Thouars exclaims loudly against the system so very prevalent among American whale fishers, of allowing the sailors to get into debt ashore, and of the owners giving security, or advancing the money for them, at a rate of interest often amounting to 40 or 50 per cent., a practice destructive of all habits of prudence among the men.

He then gives several specifications of the different kinds of whales found in the South Seas, and the localities where they are most abundant, stating that most of them are known to and are pursued by the American and English whalers, especially the cachalot, sperm or white whale, whereas the French captains have hitherto confined themselves only to the common or black whale. He also gives a full account of the usual times of leaving Europe adopted by British whalers, and points out various improvements in this respect which may be adopted by the French captains.

The principal rendezvous for the whale ships, Captain d'Urville states to be the Sandwich Islands, Otaheite, and New Zealand; at the former of these stations sometimes 60 French whalers are assembled together, at the second 20, at the third 40. At all these places, when the whalers are in, the most unbounded licentiousness and disorder prevail among the crews, and call imperiously for the establishment of consuls or other authorized agents on the spot.

Captain d'Urville strongly urges the necessity of sending out agents of this kind without delay, and more particularly to the Bay of Islands in New Zealand, where a British resident, who performs the functions of "a constable and police magistrate," has been long settled. England and the United States, the Captain adds, have several vessels of war, during the course of each year, to visit these fisheries, whereas France sends only one occasionally; he therefore recommends government to adopt more efficient measures of this kind.

The remarks of Captain Dupetit Thouars, are, we apprehend, in the main, correct. But we think he is out of his reckoning when he says that the owners of American ships allow their men to get in debt ashore, and then extort 40 or 50 per cent. interest on advances to rescue them from embarrassment.

FIRST PUBLIC SALE OF THE NEWLY DISCOVERED ASSAM TEA.

It is stated in the St. James Chronicle, that the Commercial Sale-room in Mincing Lane, where the public tea sales are held, was crowded at the hour of sale, in consequence of its being known that the whole of the Honorable Company's recent importation of Teas from their territories in Upper Assam, India, were to be sold. Mr. Thompson was the tea broker selected by the company to offer these teas for sale. They consisted of three lots of Assam Souchong, and five lots of Assam Pekoe. On offering the first lot, which was Souchong, Mr. Thompson announced that each lot would be sold, without the least reservation, to the highest bidder. We never before witnessed such excitement as prevailed when the first lot was competed for. The first bid was 5s. per lb. a second bid was made of 10s. per lb. After much competition, it was knocked down for 21s. per lb., the purchaser being Captain Pidding, the proprietor of Howqua's Mixture Tea. The second lot of Souchong was bought for the same person for 20s. per lb. The third and last Souchong sold for 16s. per lb., Captain Pidding being the buyer. The first lot of Assam Pekoe sold for 24s. per lb.; after much competition, every broker appearing to bid for it, it was bought for Captain Pidding. The second, third, and fourth lots of Assam Pekoe fetched the respective prices of 25s., 27s. 6d., and 28s. 6d. per lb., and were also purchased, like the previous lots, for Captain Pidding. For the last lot of Pekoe, which was the last of the tea to be sold, a most exciting competition took place—there were near sixty different bids made for it. It was at last knocked down at the extraordinary high price of 34s. per lb. Captain Pidding was also the purchaser of this, and has thereby become the sole proprietor of the Assam, as well as the Howqua's Mixture Tea. The general opinion of the collected tea brokers and dealers, with whom the room was crowded, was, that the Assam tea is not only valuable as a curiosity, but that the tea itself is of very superior quality, being of a pleasant flavor, and of such strength that some asserted that the fifth water from it was as strong as the first. The fact of Captain Pidding having become the sole purchaser of the whole of this seemed to excite a great sensation; it was whispered that he intended to allow small parcels of it to be sold by each of his agents at prime cost, and in such small quantities as to allow of the greatest number of people trying, by tasting it.

SPECULATING AND FAILING.

This is the age of speculations; but however promising they may be, (and there is no lack of promises in any of their prospectuses that we have encountered,) there is always a certain bitter in the midst of their sweets—always a lingering fear that their end may not be quite so flourishing as their beginnings, and that the dropping of the curtain may find the bubble burst, and the unfortunate speculator in jail. The absence of downright certainty in any undertaking is a great drawback on its desirableness.—Yet amidst all this uncertainty, it is very satisfactory to know that there is one speculation in which it requires nothing but a little observation, and the use of one's own judgment, to render quite as money making a concern as a general balloon-navigation company to all—excepting to original proposers. The speculation is—to fail; and there is but one art and mystery in it—to fail at the right time; not for a few paltry dollars, which are rigorously taken from you, but a good slapping sum at once; enough to strike your creditors with reverence for your greatness, and respect for your misfortunes. At the very worst, they will allow you a comfortable maintenance out of their own money, and perhaps present you with a silver dinner set in token of their gratitude for your allowing them to recover a shilling in the pound. And in circumstances like these there is always this comfort, that the remaining nineteen shillings enable you to fill the silver dishes with turtle and venison, and all things else in a concatenation accordingly.

COMMERCIAL STATISTICS.

COMMERCE OF NEW JERSEY, FROM 1791 TO 1838.

Compiled from Official Documents, by S. Hazard, Esq., of the United States Statistical Register.

Years.	EXPORTS.			*Imports.*	*Duties on foreign merchandise imported.*	*Dr'backs paid on foreign merchandise exported.*	*Registered tonnage.*
	Domestic.	*Foreign.*	*Total.*				
1791	....	....	26,988	....	15,379	....	1,171 00
1792	....	....	23,406	....	5,479	....	1,600 00
1793	....	....	54,179	....	16,929	....	260 27
1794	....	....	58,154	....	15,597	158	484 04
1795	....	....	130,814	....	20,510	2,564	637 85
1796	....	....	59,227	....	1,100	933	901 27
1797	....	....	18,161	....	10,090	....	762 72
1798	....	....	61,877	....	17,256	10,589	1,344 28
1799	....	....	9,722	....	867	2,341	1,271 34
1800	....	....	2,289	....	135	....	860 15
1801	....	....	25,406	....	8,510	....	1,046 08
1802	....	....	26,227	....	3,247	....	1,551 09
1803	21,311	....	21,311	....	3,617	....	1,708 35
1804	24,829	....	24,829	....	3,895	....	1,445 88
1805	20,633	110	20,743	....	18,514	....	1,293 05
1806	26,504	7,363	33,867	....	14,310	5,582	891 84
1807	36,063	5,123	41,186	....	17,699	2,408	952 13
1808	12,511	8,288	20,799	....	10,391	5,587	525 29
1809	269,104	50,071	319,175	....	24,444	5,690	15,596 67
1810	392,798	37,469	430,267	....	13,573	8,497	17,338 51
1811	1,871	....	1,871	....	84,559	2,986	14,144 12
1812	4,186	....	4,186	....	27,383	1,083	13,639 58
1813	10,260	....	10,260	....	47,754	....	13.769 29
1814	....	....	....	....	82,764	....	13,843 19
1815	5,279	....	5,279	....	14,222	....	2,465 67
1816	9,746	....	9,746	....	27,410	....	2,500 87
1817	5,849	....	5,849	....	6,253	507	2,436 70
1818	25,957	....	25,957	....	3,602	168	222 02
1819	1,474	....	1,474	....	16,702	987	319 44
1820	20,511	....	20,511	....	14,609	277	468 56
1821	33,613	98	33,711	17,606	29,225	3,339	207 77
1822	83,551	....	83,551	103,190	24,244	1,722	1,187 78
1823	26,064	....	26,064	5,933	7,127	424	1,217 00
1824	28,989	....	28,989	637,518	483,372	5,157	2,364 20
1825	43,980	3,233	47,213	27,688	1,998	157,644	1,378 86
1826	30,859	7,106	37,965	48,004	14,558	19,826	1,428 38
1827	25,627	....	26,627	338,497	534,733	2,209	912 82
1828	1,892	....	1,892	706,872	692,178	44,255	1,442 56
1829	8,022	....	8,022	786,247	249,559	98,711	292 50
1830	8,224	100	8,324	13,444	770	28,221	573 90
1831	11,430	....	11,430	....	6,663	700	1,260 04
1832	53,991	7,803	61,794	70,460	31,223	1,689	256 28
1833	30,853	1,900	32,753	170	26	240	1,369 77
1834	8,131	....	8,131	4,492	3,812	....	709 74
1835	66,363	7,678	74,041	18,932	64,111	876	1,955 15*
1836	38,769	24,040	62,809	24,263	4,670	....	1,175 37*
1837	19,640	24,577	44,217	69,152	....	....	1,175 36*
1838	28,010	....	28,010	1,700	....	....	1,656 56*

* Ending 30th of September.

EXPORTS OF COTTON FROM THE PORT OF NEW ORLEANS,

For the last nine years, commencing October 1, *and ending September* 30.

WHITHER EXPORTED.	NUMBER OF BALES OF COTTON.							
	1838–39.	1837–38.	1836–37.	1835–36.	1834–35.	1833–34.	1832–33.	1831–32.
Liverpool.............	297,774	465,183	333,832	227,017	245,101	273,113	216,559	193,367
London	6	123	41	281	45	244	336	...
Glasgow and Greenock,	7,390	16,147	17,077	7,991	12,601	13,950	8,096	6,227
Cowes, Falmouth, &c..	2,459	48	2,966	1,237	156	1,160	676	3,771
Cork, Belfast, &c..	2,139	...	1,180	...	1,220	702	...	...
Havre.................	112,779	110,609	112,410	106,867	126,505	88,414	73,030	63,462
Bordeaux..............	1,348	4,407	6,100	4,137	2,765	2,650	1,541	1,826
Marseilles............	6,255	7,285	9,110	16,205	7,585	6,348	5,119	10,030
Nantz.................	2,070	5,527	5,268	6,672	5,017	3,841	2,612	2,820
Cette and Rouen.......	...	...	753	...	...	...	...	...
Amsterdam............	49	932	202	2,130	238	754	50	392
Rotterdam and Ghent..	...	...	...	...	...	359	...	70
Bremen	27	656	123	5,039	398	2,495	926	1,026
Antwerp, &c..........	...	1,598	2,782	5,348	1,122	153	...	370
Hamburgh............	310	3,149	2,538	4,330	1,863	5,059	1,176	1,870
Gottenburgh..........	947	343	553	1,025	747	...	1,186	695
Spain and Gibraltar...	1,225	4,713	4,300	1,323	1,316	1,384	1,615	4,562
West Indies..........	4,259	2,641	2,050	612	14	...	75	...
Genoa, Trieste, &c....	3,556	7,174	7,875	10,239	5,588	...	...	1,190
Other foreign ports....	113	902	233	2,117	...	922	...	...
New York............	62,691	39,352	24,734	29,604	50,978	15,938	31,497	24,955
Boston...............	49,242	40,271	38,409	37,084	42,928	25,947	28,868	25,078
Providence, R. I.......	4,038	1,607	1,177	3,204	5,223	3,064	13,651	4,611
Philadelphia	6,150	8,526	6,022	7,428	7,918	3,368	7,239	4,607
Baltimore.............	3,450	6,148	2,978	1,128	989	1,701	4,743	1,614
Portsmouth...........	5,369	4,819	8,044	11,989	8,707	8,209	4,760	3,343
Other coastwise ports..	7,171	5,026	3,781	2,098	5,741	2,478	3,465	520
Total..........	580,817	737,186	594,538	493,005	534,765	462,253	407,220	356,406

RECAPITULATION.

Great Britain.........	309,768	481,501	355,096	236,526	259,123	289,169	225,667	203,365
France...............	122,452	127,828	133,641	133,881	141,872	101,253	82,302	78,138
North of Europe.......	1,446	7,580	6,431	17,989	4,368	9,742	3,338	4,423
South of Europe.......	9,040	14,528	14,225	12,074	6,918	1,384	1,690	5,752
Coastwise............	138,111	105,749	85,145	92,535	122,484	60,705	94,223	64,728
Total..........	580,817	737,186	594,538	493,005	534,765	462,253	407,220	356,406

Comparative Arrivals, Exports, and Stocks of Cotton, of New Orleans, for ten years, commencing 1st October.

Years.	ARRIVALS.	EXPORTS.	STOCKS.	*Years.*	ARRIVALS.	EXPORTS.	STOCKS.
	Bales.	*Bales.*	*Bales.*		*Bales.*	*Bales.*	*Bales.*
1838–39	589,281	580,817	16,307	1833–34	465,103	462,253	8,756
1837–38	743,218	737,186	8,843	1832–33	418,853	407,220	7,406
1836–37	604,475	596,068	15,302	1831–32	349,797	356,406	7,088
1835–36	498,895	493,005	8,702	1830–31	428,876	424,684	13,697
1834–35	531,366	534,765	4,842	1829–30	363,641	351,890	9,505

STATISTICS OF NAVIGATION.

PASSAGES OF THE LIVERPOOL PACKETS.

In our number for June, 1839, we published a comparative table of the passages of the different ships of the several lines of Liverpool packets, from November 1, 1837, to November 1, 1838. Annexed is an accurate statement, taken from Bennett's Herald, showing the passages of each ship of the Liverpool packets of the several lines, for 1839. It forms a table of reference, at all times interesting.

COMPUTE
AVG ?
TIMES.

OLD, OR BLACK BALL LINE.

OUTWARD PASSAGES.

Ships.	*Sailed.*	*Arrived.*	*days.*
North America	Jan. 5	Jan. 25	20
Europe	19	Feb. 8	20
Columbus	Feb. 2	21	19
South America	19	Mar. 15	24
England	Mar. 1	19	18
Orpheus	22	April 13	22
Cambridge	Apl. 1	29	28
North America	19	May 18	29
Europe	May 2	June 7	36
Oxford	20	9	19
Columbus	June 1	22	21
South America	19	July 9	20
England	July 1	20	19
Cambridge	19	Aug. 7	19
Orpheus	Aug. 1	27	26
North America	21	Sept. 10	20
Europe	Sept. 2	24	22
Oxford	19	Oct. 9	20
Columbus	Oct. 1	21	20
South America	20	Nov. 13	24
England	Nov. 1	20	19
New York	19	Dec. 14	25
Cambridge	Dec. 5	Jan. 3	28
Oxford	20	....	..

HOMEWARD PASSAGES.

Ships.	*Sailed.*	*Arrived.*	*days.*
Cambridge	Jan. 10	Feb. 12	38
Orpheus	22	20	29
North America	Feb. 7	Mar. 18	39
Europe	19	30	39
Oxford	Mar. 29	May 3	35
South America	April 8	5	27
Columbus	10	11	31
England	24	23	29
Orpheus	May 8	30	22
Cambridge	21	June 23	38
North America	June 8	July 11	33
Europe	20	Aug. 4	45
Oxford	July 9	26	38
Columbus	20	Sept. 2	44
South America	Aug. 9	14	36
England	22	Oct. 1	40
Cambridge	Sept. 10	11	31
Orpheus	21	28	37
North America	Oct. 8	Nov. 26	48
Oxford	21	13	23
Columbus	Nov. 8	Dec. 8	31
South America	22	20	28
England	Dec. 8	Jan'y 4	25

The longest outward passage was made by the Europe, she having been thirty-six days; and the shortest by the England, in eighteen days. All the outward-passages average twenty-two days and a half. The homeward passages average thirty-three days and seventeen hours.

The Orpheus made a homeward passage in twenty-two days, the Oxford in twenty-three, and the England in twenty-five, making the three shortest. The longest was made by the North America, in forty-eight days.

DRAMATIC LINE.

OUTWARD PASSAGES.

Ships.	*Sailed.*	*Arrived.*	*days.*
Sheridan	Jan. 27	Feb. 13	17
Garrick	Feb. 25	Mar. 17	20
Roscius	Mar. 26	April 19	22
Siddons	April 25	May 18	23
Sheridan	May 25	June 19	25
Garrick	June 25	July 16	21
Roscius	July 25	Aug. 19	25
Siddons	Aug. 26	Sept. 13	18
Sheridan	Sept. 26	Oct. 13	17
Garrick	Oct. 25	Nov. 15	21
Roscius	Nov. 25	Dec. 14	19
Siddons	Dec. 28	....	..

HOMEWARD PASSAGES.

Ships.	*Sailed.*	*Arrived.*	*days.*
Roscius	Jan'y 17	Feb. 17	31
Siddons	Feb. 18	Mar. 25	35
Sheridan	Mar. 18	Aprl 25	38
Garrick	April 14	May 14	30
Roscius	May 14	June 6	23
Siddons	June 14	July 12	28
Sheridan	July 15	Aug. 17	33
Garrick	Aug. 13	Sept. 15	33
Roscius	Sept. 13	Oct. 12	29
Siddons	Oct. 13	Nov. 13	30
Sheridan	Nov. 14	Dec. 10	26
Garrick	Dec. 14	June 16	33

The outward passages averaged twenty days and a half each. The eleven passages were made in two hundred and twenty-eight days. The shortest was made in seventeen days, and the longest in twenty-five.

The homeward passages averaged thirty and a half days each. One was in twenty-three days, which was the shortest. The longest was thirty-eight days. Each passage was singularly fortunate. The twelve homeward passages were performed in three hundred and sixty-nine days.

STAR LINE.

OUTWARD PASSAGES.

Ships.	*Sailed.*	*Arrived.*	*days.*
Sheffield	Jan. 16	Feb. 6	21
United States	Feb. 16	Mar. 15	27
Westchester	Mar. 14	April 10	27
Virginian	April 16	May 9	23
Sheffield	May 14	June 9	25
United States	June 14	July 8	24
Westchester	July 13	Aug. 4	22
Virginian	Aug. 13	Sept. 4	22
Sheffield	Sept. 14	Oct. 8	24
United States	Oct. 16	Nov. 13	28
Virginian	Nov. 15	Dec. 8	23

HOMEWARD PASSAGES.

Ships.	*Sailed.*	*Arrived.*	*days.*
Virginian	Feb. 1	Mar. 18	45
Sheffield	Mar. 2	29	27
United States	April 2	May 5	33
Westchester	May 17	June 25	39
Virginian	June 2	July 10	38
Sheffield	July 3	Aug. 15	43
United States	Aug. 2	Sept. 14	43
Westchester	Sept. 2	Oct. 11	39
Virginian	Oct. 4	Nov. 5	31
Sheffield	Nov. 1	Dec. 1	30
United States	Dec. 4	Jan. 4	30

The eleven outward passages were made in two hundred and sixty-six days, and they averaged a fraction over twenty-four days each. The shortest was made in twenty-one days, and the longest in twenty-eight.

The longest homeward passage was made in forty-five days, and the shortest in twenty-seven. The eleven were made in three hundred and ninety-eight days.

SWALLOW TAIL LINE.

OUTWARD PASSAGES.

Ships.	*Sailed.*	*Arrived.*	*days.*
Roscoe	Jan'y 8	Jan. 28	20
G. Washington	Feb. 7	Mar. 5	26
Shakspeare	Mar. 7	April 7	31
Independence	April 8	29	21
Roscoe	May 9	June 7	28
G. Washington	June 7	24	17
Shakspeare	July 8	July 28	20
Independence	Aug. 7	Aug. 28	21
Roscoe	Sept. 9	Sept. 30	21
G. Washington	Oct. 7	Nov. 1	25
Patrick Henry	Nov. 7	Nov. 25	18
Independence	Dec. 10	....	..

HOMEWARD PASSAGES.

Ships.	*Sailed.*	*Arrived.*	*days.*
Independence	Jan. 27	Mar. 11	42
Roscoe	Feb. 28	28	28
G. Washington	Mar. 29	Apri 29	31
Shakspeare	Apl. 26	May 24	28
Independence	May 26	June 29	34
Roscoe	June 26	Aug. 5	40
G. Washington	July 25	Sept. 1	38
Shakspeare	Aug. 28	Oct. 5	38
Independence	Sept. 29	Oct. 30	31
Roscoe	Oct. 26	Dec. 10	45
G. Washington	Nov. 27	Dec. 27	30
Patrick Henry	Dec. 26	Jan. 31	36

The eleven outward passages were made in two hundred and forty-eight days, and averaged twenty-two days and twelve hours each. The longest was made in thirty-one days, and the shortest in seventeen.

The homeward passages averaged thirty-five days and a fraction each. None made less than twenty-eight days, and none over forty-five. The twelve were performed in four hundred and twenty-one days.

PASSAGES OF THE STEAM SHIPS.

We published in the Merchants' Magazine for August, 1839, all the passages of the steam ships Great Western, Liverpool, and Royal William, showing the time of their departure from, and arrival at, each port, beginning with April, 1838; we now give, from Bennett's Herald, all the passages of the Great Western, British Queen, and Liverpool, for the year 1839.

PASSAGES OF THE GREAT WESTERN.

TO NEW YORK.

Sailed.	*Arrived.*	*Days.*
Jan. 28	Feb. 16	18½
Mar. 23	April 14	21½
May 18	May 31	13
July 6	July 22	15½
Aug. 24	Sept. 10	16½
Oct. 19	Nov. 2	14½

TO BRISTOL.

Sailed.	*Arrived.*	*Days.*
Feb. 25	Mar. 12	15
April 22	May 7	14½
June 13	June 27	12¼
Aug. 1	Aug. 13	12¼
Sept. 21	Oct. 4	13
Nov. 16	Nov. 30	13½

The passages from England average sixteen days and a half each, and the whole time occupied in making six western passages was ninety-nine days and a quarter. The shortest was made in thirteen days, and the longest in twenty-one and a half.

The passages hence to Bristol averaged thirteen days and nine hours each. The longest was in fifteen days, and the shortest in twelve and a quarter. The six eastern passages were made in eighty days and twelve hours.

By two of the passages, passengers and despatches reached Paris, by the way of England, on the fifteenth day after leaving New York. They also arrived in London and Liverpool on the thirteenth day.

PASSAGES OF THE BRITISH QUEEN.

TO NEW YORK.			TO PORTSMOUTH.		
Sailed.	*Arrived.*	*Days.*	*Sailed.*	*Arrived.*	*Days.*
July 12	July 27	14⅞	Aug. 1	Aug. 14	13½
Sept. 3	Sept. 20	17	Oct. 1	Oct. 15	13¾
Nov. 3	Nov. 23	20⅜	Dec. 2	Dec. 25	22½

The shortest passage from England was made in fourteen days and twenty-one hours; the longest in twenty days and nine hours. The shortest passage hence was performed in thirteen days and a half, and the longest in twenty-two and a half. If we calculate the time, however, when she arrived off Portsmouth, the passage was made in twenty-one days and fourteen hours.

The western passages averaged seventeen days and eight hours each. Those made to the eastward, sixteen days and fourteen hours.

On her first voyage she arrived here on the 27th of July, discharged about one thousand packages of goods, besides baggage, reloaded cargo, took in seven hundred and fifty-five tons of coal, stores for one hundred and thirteen passengers, and was ready for sea on the thirty-first of the same month—four days' work.

PASSAGES OF THE LIVERPOOL.

TO NEW YORK.			TO LIVERPOOL.		
Sailed.	*Arrived.*	*Days.*	*Sailed.*	*Arrived.*	*Days.*
Feb. 6	Feb. 25	18½	Mar. 9	Mar. 25	16
April 20	May 7	16¼	May 18	June 1	14½
June 13	June 30	16¾	July 6	July 20	13¾
Aug. 1	Aug. 18	17	Aug. 24	Sept. 8	14½
Sept. 21	Oct. 7	16	Oct. 19	Nov. 6	17½
Nov. 16	Dec. 5	18½	Dec. 15	....	..

The Liverpool has eighteen hours steaming farther to go than either the Great Western or the British Queen.

The pasages to New York averaged seventeen days and four hours each. The longest was made in eighteen days and twelve hours, and the shortest in sixteen days.

Those to Liverpool averaged fifteen days and sixteen hours. The shortest was made in thirteen days and three quarters, and the longest in seventeen days and twelve hours.

DISASTERS AT SEA DURING THE YEAR 1839.

The following summary of shipwrecks, etc., for 1839, is from the Sailor's Magazine. Several of the vessels put down as *missing*, were afterwards heard from, having been prematurely reported.

A record has been kept at the office of the American Seamen's Friend Society, during the year just closed, as in past years, of disasters at sea, so far as they could be ascertained, which resulted in a total loss of the vessel. The following is the result:

The whole number of vessels lost, was 442. Of these there were:—

Ships and barks	74
Brigs	124
Schooners	187
Sloops	16
Steamboats	9
Unknown	32
Of these there were lost towards the close of 1838, but reported in 1839....	58

Wrecked in—

January	26
February	27
March	32
April	21
May	29
June	18
July	15
August	29
September	64
October	30
November	27
December, (previous to 15th,)	8
Time unknown	64

Added to the above entire and known losses, there have been reported thirty-seven missing vessels during the year, which, with their crews, have most probably been entirely lost. Five hundred and thirty-seven lives have been reported as lost, but the loss of life is undoubtedly much greater than this, as many vessels were reported as abandoned, or bottom up, where the crews were missing, and no intelligence has been received from them. The above facts speak a language concerning the sorrows of seamen, not to be misunderstood, and they should be most solemnly pondered by those who have a heart to feel and a hand to relieve.

In 1838 there were lost—

Ships and barks	100
Brigs	117
Schooners	169
Sloops	11
Steamboats	17
Unknown	13
Total	427

Of these, forty-five were lost in 1837, but reported in 1838; 27 vessels were reported as missing, and the loss of life during the year is known to have been 756.

In 1837 there were lost—

Ships and barks	94
Brigs	135
Schooners	234
Sloops	12
Steamboats	18
Total	493

Of these, 43 were lost in 1836, but reported in 1837; 30 vessels were reported as missing, and the loss of life during the year is known to have been 1,295.

In 1836 there were lost—

Ships and barks	56
Brigs	97
Schooners	121
Sloops	12
Steamboats	30
Total	316

Twelve vessels were reported as missing, and the loss of life during the year is known to have been 826.

SHIPWRECKS ON THE COAST OF FRANCE.

A Paris journal gives the following list of vessels of fifteen nations, lost by shipwreck on the coast of France, between Cherbourg and Dunkirk, for fourteen years. The length of the coast is about two hundred and fifty miles, and embraces the port of Havre.

French	291
English	76
Swedish and Norwegian	30
Dutch	12
American	8
Prussian	8
Danish	7

Russian	4
Hanoverian	4
Hamburgh	30
Belgium	3
Sicily	2
Lubec	2
Finland	12
Total	489

THE HUDSON RIVER.

A Table showing the Period when the Hudson River opened and closed at Albany, since 1817, *taken from Records kept at the Albany Academy, for the Use of the Regents of the University.*

Winters.	*River closed or obstructed by Ice.*	*River open or free from Ice.*	*Number of Days closed.*
1817–18	December 7	March 25	108 days.
1818–19	December 14	April 3	110 ..
1819–20	December 13	March 25	102 ..
1820–21	November 13	March 15	123 ..
1821–22	December 13	March 15	92 ..
1822–23	December 24	March 24	90 ..
1823–24	December 16	March 3	78 ..
1824–25	January 5	March 6	60 ..
1825–26	December 13	Feb'ry 26	75 ..
1826–27	December 24	March 20	86 ..
1827–28	November 25	Feb'ry 8	50 ..
1828–29	December 23	April 1	100 ..
1829–30	January 11	March 15	63 ..
1830–31	December 23	March 15	82 ..
1831–32	December 5	March 25	111 ..
1832–33	December 21	March 21	83 ..
1833–34	December 13	Feb'ry 24	73 ..
1834–35	December 15	March 25	100 ..
1835–36	November 30	April 4	125 ..
1836–37	December 7	March 28	111 ..
1837–38	December 14	March 19	94 ..
1838–39	November 25	March 21	116 ..
1839–40	December 18	Feb'ry 21	65 ..

As the river, throughout to New York, has not opened on the days stated above, the time at which the first steamboat passed either from Albany or New York, or vice versa, is also added for a few years.

1835	March 25.
1836	April 10.
1837 (Robert L. Stevens,)	March 31.
1838 (Utica,)	March 19.
1839 (Swallow,)	March 25.
1840 (Mount Pleasant,)	Feb'ry 25.

NOTICE TO MARINERS.

London, February 4th, 1840.

Light at St. Catharine's Point, Isle of Wight.—Notice is hereby given, that the light tower, which has been for some time past in course of erection on St. Catharine's Point, in the Isle of Wight, being nearly completed, the light will be exhibited thereon on or before the evening of the 1st of March next, and thenceforth continued every night from sunset to sunrise. It will burn at an elevation of 178 feet above the level of high water, and will appear as a fixed bright light in all directions seaward.

Light at the Needles Point.—In order to distinguish this from the new light at St. Catharine's, it will, on and after the exhibition of the last mentioned, assume a red color, and will be continued. J. HERBERT, *Secretary.*

STATISTICS OF RAIL-ROADS.

Cost, Receipts, Expenditures, and Income, of the following Rail-Roads, derived from Official Reports for the year 1839.

NAMES.	*Cost of the Road.*	*Receipts.*	*Expenses.*	*Nett Income.*	*Dividend per annum.*
Boston and Providence....	1,782,000	313,907	194,412	119,494	8 per ct.
Boston and Lowell........	1,650,000	241,219	92,151	149,068	8 ..
Boston and Worcester....	1,800,000	231,807	126,384	105,423	6½ ..
Eastern, just completed....	1,306,000	125,623	53,176	72,447	11 ..
Taunton................	250,000	58,018	40,711	17,307	6½ ..
Philadelphia & Baltimore..	4,379,225	490,535	296,131	194,503	7½ ..
Camden and Amboy......	3,220,000	685,329	258,043	427,286	13½ ..
Receipts in six years..	....	4,637,535	2,253,933	2,383,542	16¾ ..

CAMDEN AND AMBOY RAIL-ROAD.

The following table shows the number of passengers and tons of merchandise carried over the Camden and Amboy rail-road, and the gross amount of receipts, expenditures, and nett profits, for several years.

Year.	*Passengers.*	*Tons of merchandise.*	*Receipts.*	*Expenditures.*	*Profits.*
1833	109,908	6,043	468,142 50	287,091 90	181,050 60
1834	105,418	8,397	546,993 54	313,261 69	233,731 87
1835	147,424	10,811	679,463 63	317,491 76	361,971 87
1836	103,731	12,508	770,621 28	363,344 90	407,206 38
1837	145,461	10,642	731,995 24	309,510 44	372,484 80
1838	164,520	11,765	754,989 89	355,249 10	399,740 79
1839	181,479	13,520	685,329 76	258,143 58	427,286 28

BOSTON AND LOWELL RAIL-ROAD.

The total amount of capital paid is $1,650,000. For fuel, salaries, repairs on the road, engines and cars, and other expenses, there have been paid $92,151 44. The amount received is, from passengers, $135,059 45; for transporting merchandise, $105,183 49; for transporting United States mail, $1,000; making a total of $241,219 94. Two dividends, of four per cent. each, have been paid during the year.

BOSTON AND PORTLAND RAIL-ROAD.

This road, extending from the Boston and Lowell rail-road to the line of the state of New Hampshire, thence to connect with the Boston and Maine rail-road, has just been completed. The amount of capital paid in is, by stockholders, $278,165 26; state scrip, $150,000; total, $428,155 22. The income during the year has been $49,001 13; namely: from passengers, $33,885 20; for merchandise, $12,804 23; United States mail, $1,900; rents, $411 70. The expenses have been $43,322 67. Two dividends, one of two per cent., and one of four per cent., have been paid.

BOSTON AND PROVIDENCE RAIL-ROAD.

The capital of this corporation is $1,782,000. The expenses of the year have amounted to $194,411 48, of which $90,000 were for the purchase of the Seekonk branch road, the construction of a second track to Roxbury, and other permanent improvements. The amount received is, $313,907 44, of which $234,237 42 were for the transportation of passengers, $72,939 11 for merchandise, and $3,000 on mail contract. Two dividends, of four per cent. each, have been paid.

BOSTON AND WORCESTER RAIL-ROAD.

Capital stock, $1,800,000. Income from passengers, $122,445 99; from freight, mail, etc., $106,251 16; rents and storage, $3,050 10. Total expenditures have been $126,384 83. A dividend of 3½ per cent., January 1, 1840.

EASTERN RAIL-ROAD.

This road, it is expected, will be completed as far as the New Hampshire line during the ensuing summer. The cost of the road, thus far, has been $1,306,194 89, for which the state has furnished its scrip for $500,000. The income from transportation of passengers has been $113,068 63; of merchandise, $7,375 67; United States mail, $1,310 50; rents, etc., $3,865 35. The current expenses have been $53,176 17.

NASHUA AND LOWELL RAIL-ROAD.

This road, extending from Lowell to Nashua, N. H., fourteen miles in length, has been built at a cost of $299,000. The receipts, from the opening of the road, October 8, 1838, to November 20, 1839, were, from passengers, $36,646 92; for freight, $18,198 73; rents, $207 92; total, $55,053 58. The expenses during the same period were $28,658 43. Two dividends, of three and four per cent., have been paid.

TAUNTON BRANCH RAIL-ROAD.

The capital of this branch of the Boston and Providence rail-road is $250,000. The expenditures during the year have been $40,711 78; the receipts, $58,018 78. Two dividends, of three per cent. each, have been paid.

WESTERN AND WEST STOCKBRIDGE RAIL-ROADS.

The Western and the West Stockbridge rail-roads are not yet completed. Upon that portion of the former which has been in use, the receipts, up to January 1, 1840, were, from passengers, $13,472 94; for merchandise, $4,136 21; total, $17,609 15. The expenditures were, for the same time, $14,380 44; leaving a balance, as profit, of $3,228 51.

MOHAWK AND HUDSON RAIL-ROAD COMPANY.

The nett earnings of the company, for 1839, were $64,917 6-100, nearly equal to 6½ per cent. on the capital.

Cash in bank at date of report		$26,415 55
Bills receivable		5,567 98
Due by companies and individuals		4,221 51
		$36,204 04
Deduct February dividend declared, of 3 per cent		30,000 00
		6,204 04
The value of real estate of the company, not required for their business, in lots in Water street, buildings, etc., is	168,203 55	
Their indebtedness, (including bonds issued under the act of 1837,) is	108,500 00	
		59,703 55
Estimated surplus		$65,907 59

The committee propose improvements and retrenchments which will place the company in a still stronger position, and insure a farther increase of dividends.

BANK STATISTICS.

Amount of Capital, Number of Dollars per Share, and semi-annual Dividends, of the Banks of the Cities of New York and Brooklyn, for 1839.

STOCKS.	*Amount of Capital.*	*No. of dollars per Share.*	1839.			
			FIRST DIVIDEND.		SECOND DIVIDEND.	
			Amount.	*Payable.*	*Amount.*	*Payable.*
Bank of New York..........	1,000,000	500	5 per ct.	May 1	4 per ct.	Nov. 1
Manhattan Bank............	2,050,000	50	5 "	Jan. 10	5 "	July 10
Merchants' Bank............	1,490,000	50	4½ "	June 1	4 "	Dec. 1
Mechanics' Bank............	1,500,000	25	3 "	Feb. 4	3 "	Aug. 1
Union Bank................	1,000,000	50	5 " 5 "	January 1st May	4 "	Nov. 5
Bank of America............	2,001,200	100	5 "	Jan. 5	5 "	July 6
City Bank..................	720,000	45	4 "	May 1	4 "	Nov. 1
Phenix Bank................	1,500,000	25	4 "	January	4 "	July 10
North River Bank...........	500,000	50				
Tradesmen's Bank..........	400,000	40	10 "	Jan. 2	10 "	July 1
Chemical Bank..............	500,000	25	4 "	Feb. 4	4 "	Aug. 8
Fulton Bank................	600,000	30	5 "	May 1	5 "	Nov. 1
Del. & Hud. Canal Co. Bank.	1,500,000	100	3½ "	June 20	3½ "	Dec. 21
Dry Dock Bank.............	420,000	30	4 "	January		
Greenwich Bank............	200,000	25	3½ "	May 1	3½ "	Nov. 1
Butchers' and Drovers' Bank.	500,000	25	5 "	Feb. 15	5 "	Aug. 15
Mechanics' & Traders' Bank.	200,000	25	3½ "	May 9	4 "	Nov. 1
National Bank..............	750,000	50	4 "	April 10	4 "	Oct. 10
Merchants' Exchange Bank...	750,000	50	5 "	January	5 "	July 10
Leather Manufacturers' Bank,	600,000	50	5 "	Feb. 4	8 "	Aug. 6
Seventh Ward Bank.........	500,000	50	5 "	January	4 "	July 1
Commercial Bank...........	500,000	50	4 "	Jan. 7	4 "	July 5
Lafayette Bank.............	500,000	100	4 "	January	4 "	July 1
State Bank of New York.....	2,000,000	100	4 "	May 10	4 "	Nov. 10
Long Island Bank, Brooklyn.	300,000	50	6 "	Feb. 1	6 "	Aug. 1
Brooklyn Bank..............	200,000	20				
Atlantic Bank, Brooklyn.....	500,000	50	4 "	June 1		
Bank of Commerce..........	5,000,000	100				
North Am. Trust & B'king Co.	2,000,000	100			4 "	July 25
Mechanics' B'king Ass'ciation	600,000	25			3½ "	July 27
American Exchange Bank....	5,000,000	100			3 "	Nov. 4

MISCELLANEOUS STATISTICS.

CENSUS OF THE UNITED STATES FOR 1840.

The sixth census of the United States is to be taken the present year, commencing June 1st, and the interrogatories for the assistants of the marshals, in the different states, have been prepared at Washington. By the late act of congress, for taking the census of 1840, the president of the United States was directed to cause the statistics of the country, relating to agriculture, manufactures, mines, commerce, fisheries, etc., to be taken, as well as the condition of the people with regard to education.

Additional interrogatories to those formerly used, which were merely enumerations of the inhabitants, classed by sexes, ages, and colors, freemen and slaves, have therefore been prepared, to be put by the persons taking the census, for statistical tables, in relation to the following among other subjects, namely:

Mines.—Statistics of iron, lead, gold, other metals; coal, salt, granite, marble, etc.

Agriculture.—Number of horses, mules, cattle, sheep, swine, and value of poultry; bushels of wheat, barley, oats, rye, buckwheat, Indian corn, and potatoes, raised in 1839; quantity of wool, hops, wax, hay, hemp, flax, tobacco, rice, cotton, silk cocoons, sugar, and wine; value of the products of dairy, orchard, and home-made or family goods.

Horticulture.—Value of garden produce, nursery, and green-house; number of men employed, and amount of capital invested.

Commerce.—Number of commercial houses, commission houses, retail dry goods, grocery, or other stores, lumber yards, butchers, packers, etc., and amount of capital invested in each.

Fisheries.—Quantity of dried fish, pickled fish, spermaceti oil, whale and other fish oil, value of whalebone and other products of the fisheries, and amount of capital invested, and number of men employed.

Products of the Forest.—Value or quantity of lumber, tar, pitch, turpentine, rosin, pot and pearl ashes, skins and furs, ginseng, etc., and number of men employed.

Manufactures.—Statistics of the following branches, including value of articles made in 1839. Amount of capital invested, and number of persons employed. Machinery, hardware, nails and cutlery, cannon and small arms, gold, silver, etc., various metals, granite, marble, etc., bricks and lime, wool, cotton, silk, flax, mixed manufactures, tobacco, hats, caps, and bonnets, leather, tanneries, saddlery, shoe makers, etc., soap and candles, liquors, (distilled and fermented,) gunpowder, drugs and medicines, paints and dyes, glass, earthenware, and potteries, sugar refineries, chocolate, confectionary, paper and paper hangings, printing, binding, newspapers and periodicals, cordage, wagons, etc., musical instruments, carriages, flouring mills, grist mills, saw mills, and oil mills, ships and other vessels, furniture, brick, stone, frame, or wooden houses built in 1839, and the value of all other manufactures and mechanic arts not enumerated.

These tables, if properly taken, will furnish a fund of statistical data that must prove highly valuable to all classes of the community, and especially so to the political economist, statesman, and merchant, and it will be our aim to furnish the readers of our Magazine, in a condensed and comprehensive form, the most important of them.

AMOUNT OF THE PUBLIC DEBT OF THE UNITED STATES IN EACH SUCCESSIVE YEAR FROM 1791 TO 1835.

1791....	$75,463,476 33*	1806....	$75,723,270 66	1821....	$89,987,427 66
1792....	77,227,924 66	1807....	69,218,398 64	1822....	93,546,676 98§
1793....	80,352,634 04	1808....	65,196,317 97	1823....	90,875,877 28
1794....	78,427,404 77	1809....	57,023,192 09	1824....	90,269,777 77
1795....	80,747,587 39	1810....	53,173,217 52	1825....	83,788,432 71
1796....	83,762,172 07	1811....	48,005,587 76	1826....	81,054,059 99
1797....	82,064,479 33	1812....	45,209,737 90	1827....	73,987,357 20
1798....	79,228,529 12	1813....	55,962,827 57	1828....	67,475,043 87
1799....	78,408,669 77	1814....	81,487,846 24	1829....	58,421,413 67
1800....	82,976,294 35	1815....	99,833,660 15‡	1830....	48,580,534 28
1801....	83,038,050 80	1816....	127,334,933 74	1831....	39,082,461 88
1802....	80,712,632 25	1817....	123,491,965 16	1832....	24,282,879 24
1803....	77,054,686 30	1818....	103,466,633 83	1833....	7,001,698 83
1804....	86,427,120 88†	1819....	95,529,648 28	1834....	4,722,260 29
1805....	82,312,150 50	1820....	91,025,500 15	1835....	Extinguished.

* Expense of the Revolutionary War, (1775–1785,) $135,193 703. Emissions of paper money, (1776–1781,) $359,547,027 25. Loans and subsidies from France, (1778–1783,) $7,962,959.

† Purchase of Louisiana, (1803) for $15,000,000.

‡ Expense of the Three Years' War.

§ Purchase of Florida (1821) for $5,000,000.

THE GENERAL POST-OFFICE.

The subjoined table of the progress and general condition of the post-office department, is taken from the Democratic Review. Since the opening of the Revolution, there have been eleven post-master generals. Benjamin Franklin, the first in order, was chosen by congress, under the confederacy, on the 26th of July, 1775. His successors were, Richard Bache, Ebenezer Hazard, Samuel Osgood, Timothy Pickering, Joseph Habersham, Gideon Granger, R. J. Meigs, John M'Lean, William T. Barry, and Amos Kendall. A project is now in agitation to reduce the rates of postage: if this should be carried into operation, the receipts of the post-office would be very materially altered, and its ordinary expenses would have to be defrayed in part by some other branch of the government. Popular sentiment appears to favor the contemplated reform.

Table of the Receipts, Expenditures, and Miles of Annual Mail Transportation, from 1789 *to* 1838.

Years.	*Receipts.*	*Expenditures.*	*Miles of annual mail transportation.*	*Years.*	*Receipts.*	*Expenditures.*	*Miles of annual mail transportation.*
1789	....	....	....	1814	730,360	727,126	5,307,000
1790	37,935	32,140	9,375	1815	1,043,065	748,121	5,601,000
1791	46,294	36,697	9,525	1816	961,782	804,422	6,336,000
1792	67,444	54,531	28,210	1817	1,002,973	916,515	6,767,000
1793	104,747	72,040	28,210	1818	1,130,235	1,035,832	7,677,000
1794	128,947	89,973	845,468	1819	1,204,737	1,117,861	8,585,000
1795	160,620	117,893	1,799,720	1820	1,111,927	1,160,926	8,800,000
1796	195,067	131,572	1,799,720	1821	1,059,087	1,184,283	9,200,000
1797	213,998	150,114	2,208,570	1822	1,117,490	1,167,572	9,990,000
1798	232,977	179,084	2,208,570	1823	1,130,115	1,156,995	10,100,240
1799	264,846	188,038	2,208,570	1824	1,197,758	1,188,019	10,330,316
1800	280,804	213,994	3,057,964	1825	1,306,525	1,229,043	10,638,784
1801	320,443	255,151	3,279,423	1826	1,447,703	1,366,712	11,054,694
1802	327,045	281,916	3,504,800	1827	1,524,633	1,468,959	12,872,831
1803	351,823	322,364	3,504,800	1828	1,664,759	1,691,044	13,709,089
1804	893,450	337,502	4,120,200	1829	1,773,990	1,879,307	13,700,000
1805	421,373	377,367	4,250,000	1830	1,919,300	1,959,109	14,500,000
1806	446,106	413,573	4,499,456	1831	1,036,267	960,791	15,468,692
1807	478,763	452,885	4,550,000	1832	2,258,570	2,266,100	23,625,021
1808	460,574	422,828	4,600,000	1833	2,617,011	2,930,186	26,854,485
1809	506,634	498,012	4,600,000	1834	2,823,749	2,977,131	25,500,000
1810	551,684	495,969	4,694,000	1835	2,993,556	2,763,041	25,869,486
1811	587,247	499,099	4,694,000	1836	3,408,323	2,841,766	27,578,620
1812	649,208	540,165	5,135,000	1837	4,100,605	3,532,163	32,597,006
1813	703,155	681,012	5,160,000	1838	4,235,077	4,621,837	34,500,202

COMPARATIVE REVENUE AND DEBT OF SEVERAL COUNTRIES.

COUNTRIES.	*Revenue.*	*Paid by each Inhabitant.*	*Debt.*	*Proportion of Debt to each Inhabitant.*
Great Britain..................	$300,000,000	$12 50	3,600,000,000	$150 00
France.........................	200,000,000	6 25	1,000,000,000	31 25
Spain..........................	33,250,000	2 40	740,000,000	53 24
Portugal.......................	10,000,000	2 80	30,000,000	9 50
Two Sicilies...................	15,500,000	2 10	92,560,000	12 50
States of the Church..........	8,330,000	4 16	65,000,000	25 00
Austria........................	60,000,000	1 80	320,000,000	9 55
Prussia........................	35,000,000	2 64	135,000,000	9 78
Bavaria........................	12,750,000	3 00	50,000,000	12 92
Netherlands....................	16,000,000	6 95	52,500,000	23 00
Belgium........................	16,600,000	4 38	158,000,000	41 58
Denmark........................	7,400,000	3 70	50,000,000	25 00
Sweden.........................	7,870,000	1 86	37,000,000	8 75
Russia.........................	100,000,000	1 63	315,000,000	4 85

COMMERCIAL REGULATIONS.

ALTERATIONS IN MARINE POLICIES OF INSURANCE.

Owing to the innumerable and increasing difficulties which have arisen under the "*memorandum*" clause in cargo policies, the underwriters have been compelled to make the alterations which will be observed in the annexed notice. It will be perceived that this memorandum now includes a greater number of articles, as perishable in their own natures, than formerly; but it is believed that the alteration will not be unjust in its effect, whilst it will prevent disputes, and settle points of practice which were before doubtful.

New York, March 2, 1840.

The Marine Insurance Companies of this city have adopted the following memorandum, which will be inserted in their cargo policies on and after this day:

Memorandum.—It is also agreed that bar, bundle, rod, hoop, and sheet iron, wire of all kinds, tin plates, steel, madder, sumac, wicker ware, and willow manufactured or otherwise, salt, grain of all kinds, tobacco, Indian meal, fruits, (whether preserved or otherwise,) cheese, dry fish, vegetables and roots, rags, hempen yarn, bags, cotton bagging, and other articles used for bags or bagging, pleasure carriages, household furniture, skins and hides, musical instruments, looking glasses, and all other articles that are perishable in their own nature, are warranted by the assured free from average, unless general; hemp, tobacco stems, matting, and cassia, except in boxes, free from average under twenty per cent. unless general; and sugar, flax, flax seed, and bread, are warranted by the assured free from average under seven per cent., unless general; and coffee, in bags or bulk, pepper, in bags or bulk, and rice, free from average under ten per cent., unless general.

No damage to be allowed for goods injured by spotting, except caused by the immediate contact of sea water with the articles damaged.

WALTER R. JONES,
Secretary of the Board of Underwriters.

CUSTOM HOUSE REGULATIONS.

In future, all merchandise imported—1, on account of a foreign manufacturer; 2, on account of a foreign purchaser; 3, on account of a resident owner; 4, on consignment, the owner residing in the United States, elsewhere than in the city of New York, must, by a regulation adopted in the custom house of this city, be placed upon separate entries. This rule applies to all descriptions of goods, dutiable or free. As it varies from what has been the practice, it is important that it be generally understood.

☞ The aid thus far extended to our undertaking, encourages us to press forward in our efforts to render the Merchants' Magazine all that its warmest friends could wish. The subjects connected with the great interests of trade and commerce are indeed multifarious, but it will be our aim, in time, as far as is practicable, to embrace them all within the scope of our labors. We have plans in view, which, when carried out, cannot fail of giving new interest and permanent value to the pages of this work. Now there are on our list of patrons, merchants and men of business who will ever command respect for their intelligence on points relating to their profession, and who have it in their power to do much towards elevating the mercantile character, and illustrating the principles of commerce. To such, we would say, our pages will always be open to the admission of communications on all topics which may fall within the design of our Magazine.

HUNT'S

MERCHANTS' MAGAZINE.

MAY, 1840.

Art. I.—DOMESTIC INDUSTRY.

The progress of civilized nations has been impressed with three distinct and strongly marked epochs. The first may be considered the era of the fine arts, commencing with the period when Greece was in its full glory, and ending with the downfall of the Roman Empire. The minds of men, at that time, appear to have been turned less to productive industry, the establishment of general comfort, and the diffusion of useful knowledge, than to the arts of luxury, which tended rather to benefit the few than the many. Painting, sculpture, architecture, literature, poetry, and eloquence, flourished in their full meridian under the patronage of the state. Poets were encouraged to recite their productions before the people, and were invested with the laurel crown, as a meed of popular applause. Orators were upborne by the tide of public favor, and received the reward of their exertions in the thunders of an acclaiming populace. The chisel of the sculptor was endowed with new life, and awoke from their marble beds the almost breathing forms of the most perfect statuary. Fabius, the admiration of all times, arose under the fostering hand of taste. Yet, amid this luxury and refinement, the utmost ignorance prevailed. The minds of men were pressed down by childish superstition. Barbarous forms of amusement stamped the character of the people with what appears to us to be a sort of savage cast, and the most perfect models of physical man were slaughtered to make a Roman holiday. Yet the monuments of that period which have come down to us, furnish conclusive evidence that, notwithstanding the amount of popular ignorance, superstition, and barbarity, which then prevailed, there existed a taste in literature and the fine arts which has marked that epoch as the *classic age*. What architectural forms of modern invention equal the exquisite proportions and finish of the Coliseum or the Parthenon?—edifices which cannot fail to convince us, that just to the extent in which we depart from them as models of form, we leave the true principles of architectural taste. What refinement of modern taste has ever exceeded the elaborate beauty of the vases and other domestic utensils which we now dig from the ruins of Herculaneum and Pompeii? What modern art does not shrink back discouraged, even in its attempt to vie with the statues of the Venus and the Apollo which now stand in the temple of the Vatican? Or, if we turn to literature and eloquence, what more perfect models of poetry, oratory, history, philosophy, and rhetoric, do we find, than in the works of Homer and Demosthenes, of Livy and Tacitus, and the orations as well as the philosophical treatises of Tully, concerning government, oratory, friendship, duty, and old age?—works which are taught as text books in our schools, and without a knowledge of which the education of our youth is not considered to be complete.

The next epoch appears to us to be the age of political servitude, commencing with the introduction of chivalry into Great Britain, and extending through that night of a thousand years—the dark ages. During the greater part of that period, the energies of the great bulk of mankind appear to have been paralyzed, for the mass were chained as serfs to the soil, and the feudal system kept down their productive power. Books were confined to written parchments, and knowledge was deposited in the cloisters of monks. The tenants of the land were a sort of *realty*, transferable with its property, and burdened with services, and fines, and amercements, and bound in allegiance to their lords. The political power was vested to some extent in the monarch, but to a far greater degree in the haughty, stalwart, and armor-cased knights, whose power frowned upon the peasantry from the Gothic battlements of their castles,—the men who, with noble and chivalrous, though somewhat barbarous traits, and great physical power, descended from time to time through their massive gates to avenge the insults given to the fair, or to punish any aggression upon their chartered rights. In such a state of things, the power of the rulers without much enlightenment was every thing, and the people were nothing. The land was divided and granted out to titled holders for actual or professed services. With all the elements of knowledge in comparative chaos, in that age, without unity of action or motive for improvement, the vessel of state rolled heavily along upon the black waves, like a ship at midnight under a starless sky without a compass or a helm. Little was at that time done for the great cause of human improvement. What motive existed in the minds of those who wielded all the power of the government to alter that condition of things? What means of amelioration were proposed by the great bulk of the people, chained as slaves to the soil, and groping in ignorance under the combined action of the church and the state. The consequences of the political condition of society were such as might have been expected. Comparatively little was done for the advancement of civilization and the arts. Immense wastes were reserved as hunting grounds, and the soil was cultivated only so far as was required for the support of the inhabitants. The morals of the people, and the arts, were neglected. Even the laws bore the badges of vice, for they encouraged it; and although we are now shown the Gothic castles in which these knights of feudal times lived, with the jackdaws hovering around their towers, and though we still view the gigantic coats of mail which they wore, yet these have come down to us only as the relics of arbitrary power, vice, ignorance, and superstition.

Bacon, by his system of right reasoning, led the way to the establishment of the present age, which may be considered the age of mechanical philosophy, of general physical comfort, and productive industry. The minds of men, from that time, aided by inventions in the arts, have been urged forward step by step, to vigorous and practical action for the general good. By the agency of successive political revolutions, the elements of society are gradually working themselves clear. The energies of men which were before devoted to the mere arts of luxury, to the painting of pictures and the sculpturing of statues, the creation of edifices for the support of power and pride, or to the upholding of baronial pomp, are beginning to be devoted to the good of the mass. The mariner's compass has sent the ships, which before clung trembling to the coast, fearless across the ocean with their rich freights, and made every sea a beaten highway. The art of printing has diffused abroad, in various forms, from the penny newspaper to the luxurious quarto, the means of knowledge. Power has been gradually stealing from the few to the many. Benevolence, with its snow white banner, has traversed all climes. Chemistry has gone down from the desk of the schools to labor with the husbandman, enabling him to quadruple his production—moulded from the sand on which we tread a transparent medium, through which we can discover myriads of insects in a drop of water which are imperceptible to the naked eye, or explore the globes of heaven. Philosophy has measured the tracks of the planets, and leaving the cloister, teaches the mechanic the qualities of matter, and the economy of physical power. Geometry constructs the fortification, and builds iron roads across the land. The water is manacled like a slave, and made to work its own way to the sea. The air is forced to propel us across space, to lift the water for our use, and to assist us in war. Gunpowder enables us to destroy massive fabrics in a single day, which were impregnable to the battle axes and javelins of the past. Machinery, in its various and complex forms, has almost superseded the use of human hands, and performs the labor of almost all the arts, giving us the power to confine within the narrow compass of the signet of a finger ring the mechanism of a watch which measures time with the utmost accuracy, to imitate the most exquisite music and motions of singing birds and the minutest insects, or to command a momentum of a thousand horse power. And last of all, comes coughing or splashing on, the powerful agency of steam, binding together states with iron bars, ascending rivers, and crossing oceans, regardless of winds and waves.

We propose in this paper to enter into a somewhat enlarged discussion of the character of this productive labor, or domestic industry, in the United States. We use the term, domestic industry, in a broad sense; namely, that physical power which should be exerted in this country, producing the *materiel* of value, or which moulds it into a different form, either for consumption or exportation. Fertility of soil, navigable advantages, hydraulic power, climate, and proximity to valuable markets, all go to make up the natural resources of a nation, although the character of the population has a much stronger bearing upon the condition of a country; and it is equally clear that the same amount of physical force applied upon a fertile soil, will yield a greater measure of productive value than the same labor exerted upon a barren one.

We take the ground that our republic is not equalled in its capacity for production, by any tract of territory of equal extent on the face of the globe, whether we consider its magnitude, its resources, or its geographical position. Our national domain, it is well known, extends from east to west a distance of three thousand miles, and from north to south seventeen hundred, embracing an area of about two millions of square miles, a larger tract than is included within the jurisdiction of any government, occupying one twenty-fifth part of the soil on the face of the earth. This soil, although various in its quality, is in the greater part productive, spreading out no sandy deserts or barren ridges of any great extent. Running through various degrees of latitude, and washed on both sides by oceans, it possesses a climate which is favorable to the growth of all necessary articles of food; yielding the grains, plants, and fruits of the colder regions, as well as of the tropics. Wheat, corn, oats, potatoes, rye, tar, pitch, turpentine, hemp, flax, cotton, sugar, tobacco, and all the vegetables yielded in the same latitude, and which are necessary to the support of animal life, or which are required in manufactures, may be gathered in the greatest abundance, and constitute its staple products. Its mountains and valleys abound in marble and granite, iron, copper, gold, lead, coal, and salt, besides many other minerals of scarcely less value. The eastern portion of the country bordering the Atlantic, although less productive, and more broken than the west by barren wastes and rocks, affords sufficient motive to industry to an enterprising and hardy population, and a large amount of water power, which, by the aid of machinery, has been used with great success, and it possesses the advantage of lying on the great highway of nations, having at its door a broad pathway of navigation to any foreign port. At the south, we have a land which waves with the golden harvests of the sugar-cane and the rice field, or is whitened by the snowy blossoms of the cotton. At the west, millions of acres of the richest mould are stretched out toward the Pacific to an unmeasured extent, inviting the labors of the plough and the sickle. The territory so rich in natural resources, so fortunate in geographical position, is endowed with bold and gigantic features of natural scenery, and when in full bloom, is enrobed with magnificent vegetation. Chains of lofty mountains lift themselves into the clouds, and picturesque and flowery landscapes sweep along its streams. Noble forests wave upon its hills, and echo in its valleys. Prairies, seemingly exhaustless, spread out their broad expanses amid the solitude, and stupendous cataracts thunder down its precipices. Rivers, taking their rise in the distant interior, pour their treasures into the ocean, fertilizing the soil, and furnishing channels of navigation from the remote inland village to the borders of the sea. The Hudson and the Connecticut, the Delaware and the Potomac, enable us to penetrate the interior, and to discharge the products of our industry to their respective markets. At the west, a chain of lakes, the largest on the earth, furnishing thousands of miles of inland commerce, extend from the shores of Vermont and New York to the most distant banks of Upper Canada; and the Mississippi, the longest river on the globe, taking its rise amid the rice lakes of the north, winding through three thousand miles of territory most favorable for agriculture, and receiving in its course the Ohio and the Missouri, furnishes a channel of exportation through the whole territory of the west to the Gulf of Mexico.

We have stretched this outline of our physical resources for the purpose of showing the extent of the field in which American industry may act; and we now proceed to a more particular examination of the different sections, so far as they are characterized by different soils, climates, character of industry, and capacity of production.

We take first, the six states of New England, and let us examine their natural advantages and the character of the industry which acts upon their soil. In the first place, the climate is comparatively cold, and the stony land, of primitive formation, is much broken by rocky ridges and barren hills, yet it yields to the hard labors of the husbandman, corn, rye, potatoes, oats, and various other grains and vegetables, in sufficient abundance for his support. The very barrenness of the soil may, perhaps, in the main, be considered a blessing, for it tends in a high degree to the development of that frugality, industry, and perseverance, which are the prominent traits of its population. The rugged configuration of the land, abounding in hills and precipices, furnishes water power, which is used in the propulsion of a great number of manufacturing establishments, which have been already a source of considerable wealth. Lying, as the frontier of New England does, directly upon the sea, the enterprise of the people, it is well known, has, in a great degree, been devoted to commerce, and a large portion of its wealth has been obtained by the hardy enterprise of its mariners. But, under all the natural disadvantages which she has seemed to labor, containing, as she does, a more inhospitable soil than any other part of the country, her population have accumulated an amount of wealth, the offspring of long continued exertion, which is exceeded by that of no other part. Indeed, the traveller in passing through the country can scarcely fail to be impressed with the air of thrift and general comfort which pervades the community. In journeying through the territory, he finds it divided into lots which, if they appear somewhat rugged, and do not exhibit the utmost fertility, are cultivated with a spirit which evinces a prudent and thrifty husbandry. Cottages, sometimes of plain, but more frequently of painted boards, and surrounded by enclosed fields, dot the landscape at numerous points; and a haystack at the side of the house, opened for the cattle, show that all proper care has been taken of the stock. The public works, rail-roads, bridges, roads, and charitable institutions, all indicate the utmost thrift and the benevolent forecast of the people. The poultry, geese, and swine, which wander around the farm house, procure their own subsistence, and the moss covered bucket, which hangs in the well from a moveable beam, draws the purest water from the rock. School houses scattered through the settlements show that the means of popular education are provided. If we pass the waterfall, we find the machinery of a mill in motion; or if we go into the larger villages or cities, we find the houses well built, presenting an appearance of the most perfect comfort and contentment; the streets well paved, the ports swarming with ships, and the whole territory populated by an active, healthful, and bustling class of business men.

The states of the south present a different aspect. With a soil more bountiful, and a climate more genial, than those of the north, producing the fig, the pomegranate, the aloe, and the orange, besides other tropical fruits, the territory is no less strongly marked than the character of the people. The white inhabitants of a great part of that region are unaccustomed to labor with their hands, deeming labor itself an ignoble employment. The low and level country bears the aspect of repose, which is strongly contrasted with the more active appearance of the north. The soil is cultivated by slaves, and the neglected roads, bridges, and other public works, evince the listlessness which is the natural consequence of the social organization of society. Even the houses of the planters, constructed with less cost than those of their northern brethren, show little regard to domestic splendor, although the seat of elegant hospitality. The polished and open manners of the slovenly clad planters, together with an indifference and negligence which are their peculiar traits, impress one with the idea that he has arrived among a class of impoverished noblemen. But few charitable institutions or manufacturing establishments meet the eye, and the golden robes of the rice field, and the rich harvests of the tobacco and cotton plant, are all the evidences which the country furnishes of agricultural labor. Yet there is in the soil, although negligently cultivated, a productive power, which, if rightly husbanded, would yield vast profit. Thousands of bales of cotton are annually shipped to feed the factories of Manchester and Birmingham, and thousands of kegs of tobacco are exported to foreign markets, returning in showers of gold, which is as recklessly spent as it is easily accumulated. Did the climate admit the same kind and amount of labor as at the north, and did the character of the population favor the same degree of physical energy as with us, we doubt not that it might be made the most wealthy section of the country, possessing, as it does, a valuable staple, of which the northern states are deficient.

But the west must, after all, be considered the great agricultural section of the country; by which tract we mean that portion of territory which is included between the Rocky and the Allegany mountains, and termed the valley of the Mississippi. This tract contains the largest body of fertile soil on the face of the globe; and when we consider the advantages of its inland navigation in the great lakes and the numerous streams by which it is watered, the cheapness and fertility of the land, by which the husbandman can, by the labor of a day, procure a sufficient amount of soil to support him for the year;—all these advantages being held out as motives of immigration, we doubt not that it is destined to be one of the most opulent and powerful sections of the republic. Its climate, although not as healthful as the older states, being productive of bilious disorders, which are incident to every new country, is as genial as that of any region within the same parallels of latitude. In its northern part, wheat and corn, its staple products, are yielded in the greatest abundance; and it is well known, that although recently settled, the east receives the greater portion of its flour from the older sections of that valley, as well as large quantities of pork. The middle portion produces the fruits and grasses in the greatest luxuriance, and large quantities, of hemp, cotton, and tobacco. The main source of wealth in its southern part, adjoining the Gulf of Mexico, is the production of rice, sugar, and cotton. That portion of our territory is no less rich in its mineral resources than in its agricultural products. Missouri has its iron mountain; rocks of pure copper are found upon the southern bank of Lake Superior; ridges of coal are scattered through a great portion of its domain; gold is discovered in the soil of Alabama; and unknown quantities of lead are imbedded in the hills of Missouri, Wisconsin, and Illinois. Thousands of tons of the produce of the bordering region are transported in flat boats or steamers to New Orleans, through the Mississippi, and millions of barrels of flour are shipped to the east through the lakes, besides sugar and cotton to an immense value, which are exported abroad. Even farther westward, in the region of the elk, the Indian, and the buffalo, there are doubtless thousands of acres of land yet unexplored, equally productive, which, at some future time, will be the seat of opulence and refinement.

Such, then, are the resources of the country; and we now come to a consideration of the character of the people, as conducing to the progress of domestic industry. Although our republic was originally colonized by emigrants from different parts of Europe—English, Dutch, French, Spanish, Swedes, Finns, and Danes—all these colonial elements are merged in the preponderance of the Anglo-Saxon stock. This is a people who, in every age in which they have lived, have marked a deep impression upon their soil, and left contemporary nations far behind them in the monuments of human labor which they have erected. Such is the origin of the Anglo-Americans, and they have vindicated that origin on this side of the Atlantic, in building up an empire, more powerful in its present strength, and more rapid in its advancement, than any nation of which we have record, within the same period of time. Within the limits of two hundred years, they have pushed their commerce into every sea; with the weapons of husbandry they have ploughed a thousand hills and valleys; they have established cities on her sea coasts and the borders of her forests; they have planted manufacturing establishments upon her water falls, and sent fifteen millions of freemen, in the different departments of the trades and the professions, to advance the strength of the country, upon a field which two centuries ago was an echoing wilderness.

This native vigor of the Anglo-Saxon, which has been thus evinced abroad, has been augmented in the Anglo-American by the policy of our government. The Anglo-American colonists were, for the most part, poor men, without high rank or title, who were obliged to hew out their own way. Some, it is well known, were induced to immigrate from religious motives, and others from motives of gain, but in all we see traits which are not to be mistaken—the iron firmness and downright vigor of the Anglo-Saxon. They came to a country in which a throne had never stood, without any invincible prejudices in favor of prescriptive principles and forms. They planted themselves in forests fresh in the magnificence of nature, and burdened with the resources of national wealth; and it was this very Anglo-Saxon spirit which enabled them to contend successfully, first with France and then with England, in two long and bloody contests, and to come out victors, securing to themselves the possession of the soil. It was the spirit of the Anglo-Saxon which afterwards embodied itself in the Constitution of the United States, through which they have quadrupled their effective power. It is this which has given increased momentum to the productive industry of the country, which places the great bulk of the people on a broad platform of equal rights, and has made them the source of law, in war soldiers, in peace submissive citizens, pressing motives upon their minds, the strongest which can actuate ambitious men—a fair and open field—to secure the greatest good. It burdens the people with no taxes for the support of an ecclesiastical establishment from whose faith they dissent. It gives no money of the treasury to the maintenance of a gigantic civil list, to the purchase of gems which are to blaze before titled rank only, and no part of the soil is granted out to pets as a reward for imaginary services. Throwing aside all those encumbrances which might obstruct free industry, it says, in effect, to the people, "Come, draw your nutriment from the ample bosom of your mother earth, and develop the resources of your country, for your country is your commonwealth!"

It is not our design to enter into an enlarged history of domestic industry in the United States, but only to sketch distinct epochs in its progress. Our readers need not to be informed that the original colonists found our country a wilderness, and the commerce which was carried on for nearly a century, both by the French and English, was confined to the exportation of furs, which abounded in the forests, and to the fisheries on our coast. Even up to the period of the Revolution, commerce had not advanced to any great extent. Our people were feeble dependencies of the English crown, cramped in their means, and doomed to struggle with the disheartening labors of new colonies planted in the forest. The policy of Great Britain was at that time exercised against the manufacturing industry of the people. As early as 1731, the jealousy which existed on this subject induced the House of Commons to propose a report with respect to "any laws made, manufactures set up, or trade carried on, in the colonies, detrimental to the trade, navigation, and manufactures of Great Britain;" and, in consequence of an *alarming* discovery in respect to our manufacturing of hats, it was ordained, that no hats or felts should be exported from the colonies, or "loaded on a horse, cart, or other carriage, for transportation from one plantation to another." In 1750, another law was passed, equally disgraceful to a generous people, prohibiting the "erection or continuance of any mill or other engine for slitting or rolling iron, or any plating forge to work with a tilt hammer, or any furnace for making steel, in the colonies, under penalty of two hundred pounds." It was such causes, rather than taxation, that were the probable ground of the Revolution.

At this period the tastes of the people had not advanced to any degree of extravagance. Articles of luxury, if they were ever introduced at all, were imported from Europe; and the colonists, simple in their habits of life, were contented to ride from farm to farm upon pillions, dressed in cloths woven from their own looms, and to acquire their subsistence between the handles of the plough. This was the era of the spinning wheel and the distaff, and their music was more often heard than is that of the harp, the guitar, and the piano, at the present time. Cotton, the valuable staple of the south, was scarcely known to exist in this portion of the world; and the first specimen of that article, which was imported into Liverpool in 1784, was deemed an unlawful importation, not being considered the growth of this country. Then came the Revolution, which furnished a motive for domestic production, cast off as we were from foreign markets. But the energies of the people were at that time turned rather toward the arts of war than those of peace; and, even after the war was terminated, little could be done excepting to rebuild the shattered fragments of the social edifice. In 1789 the present manufacturing system of the United States, which was the offspring of the revenue laws, —and remaining until the embargo of 1807—was commenced. Meantime Alexander Hamilton, in 1791, made his first celebrated report on manufactures. Cotton mills were erected in Rhode Island, Massachusetts, and other places, which worked up the raw material imported from the West Indies. Under these laws, as well as the war which followed, excluding as it did all foreign importations, domestic manufactures and the mechanic arts received vast impulse, and the inventions of Arkwright, Hargraves, Watts, Whitney, and Fulton, tended to impress its importance upon the public mind, so that at the peace of 1815 a large amount of capital was found invested in manufactures.

At this period the full action of domestic industry was permitted to be exerted upon the soil. At first the consumption of the people was pretty much confined to necessary articles, luxury being limited to the few who were rich. The energies of the nation had, moreover, been nearly exhausted by protracted wars. The soil was but partially cultivated, and machinery, then comparatively in its infancy, had not achieved those glorious triumphs which we have since witnessed. But a nation like ours, with all the freshness and elastic vigor of youth, could not long continue in a state of depression, and it soon cast about for the best channels of exertion. Pacific relations for the protection of commerce were soon established with the powerful commercial nations of Europe. The treaty of peace with England had opened to us the solid title and peaceful possession of that immense agricultural region stretching around the great lakes, and colonies comprised of vigorous and determined men, began to spread their settlements along the rivers and forests of the west. Agriculture, commerce, and the mechanic arts, fostered by the facilities of credit afforded by our expanding resources, began to thrive on an independent basis. Immigration from abroad began to pour in upon us, increasing the demand for food, and the physical labor of the country; and the mass of the people finding a wide and rich field of enterprise around them, began to crowd into every department of business. It was from these general causes that the republic has reached its present condition.

What is this condition? With a country prosperous in the productiveness of its crops, without war, pestilence, or famine, our granaries overflowing with the produce of the soil, our manufacturing establishments filled with the products of machinery, and our work shops with the trophies of the mechanic arts, with a commerce which is ploughing every sea, and a population possessing the same field of action and the same vigor with their forefathers, the people are pressed down by extreme embarrassment. This condition of things cannot be traced to any want of enterprise or capacity on the part of the people. In all the departments of human labor, commerce, agriculture, manufactures, and the mechanic arts, we have shown ourselves as a nation, to say the least, as apt as any other which has existed. In the mechanic arts, especially, we have attained a perfection which, considering the time in which we have had an opportunity to act, is remarkable. Our mariners are as hardy and adventurous as those of other nations, and our husbandmen are as stout of heart and vigorous as the laborers of England. We manufacture glass and the most ponderous kinds of machinery at Pittsburgh, on the very edge of the forest. Carriages and edifices, all the articles required for the furnishing of our houses, or the ornamenting of our persons, gold work, silver work, and iron work, the manufacture of all the implements of husbandry and all the tools of trade, machinery, and ship building, may be performed here in as great perfection as in England. But if the husbandman cannot sell his produce, the manufacturer his goods, and the tradesman the products of his labor; if the merchandise of the merchant lies undisturbed upon his shelves, and our ships float idle at our wharves, there must be certain causes for this state of things, and some of these causes we propose to consider.

In the first place, then, it cannot be denied, that the present pressure has been, in a great measure, induced by the spirit of extravagance which of late years has spread itself throughout the country; the excess of consumption over the amount of production. Instead of confining ourselves within our means and the reasonable wants springing from our condition, we have expanded our expenses and the scale of our operations in all departments of pleasure and business, so far as our facilities of credit admitted their expansion. The high degree of prosperity founded on the growing power of the country, which was supposed to exist among us, has increased our adventitious wants, and induced a luxury which has pervaded all classes, and run like a contagious disease through the entire circle of our population. We perceive its evidences all around us; in the arrangements of our houses, our equipages, our dress, and our amusements. The rich, who have had certainly more motive, because they have had the means to indulge in these luxurious habits, have set an example to the poorer classes, who could not afford to pay the cost. If we enter upon the wharves of our large cities, we find them crowded with imported goods, for which money must be paid to the foreign manufacturer, and which we might as well have produced ourselves. Turning to the shops of our merchants, we perceive that their shelves are piled with goods of foreign importation. The saloons of our citizens are carpeted with fabrics from foreign looms, and their walls are adorned with imported paintings and statues. We eat from imported plates, and with silver forks, wrought, perhaps, by the workmen of Birmingham and Manchester. We drink our imported wine from imported glass, and sip our imported coffee from imported china. We support our theatres by imported actors, and drive our horses in imported trappings. We contract foreign loans for the construction of our canals and rail-roads, and build these rail-roads of imported iron. We dress our wives and children, as well as ourselves, in imported cloths and silks; and when we die, we are placed in our coffins in imported shrouds. The amount of these importations can be accurately ascertained, by the state documents which are annually issued from the office of the secretary of the treasury. Although varying each year, according to the contraction or expansion of the market, they are enormous. It is admitted by all, that within the last ten years we have imported silks to the value of . . $118,000,000
Wines and spirits, ... 41,000,000
Iron, ... 84,000,000
the whole making an aggregate of two hundred and forty-three millions, a small fraction of the whole of our importations within that period, but all constituting articles which we might have dispensed with or supplied ourselves.

We are here able to give, from the report of the secretary of the treasury for 1839, the amount in dollars of the importations to our country for the last six years, and also the amount of the exports of our domestic produce within the same period of time:

Value of Imports.		*Value of Exports of Domestic Produce.*	
1834	126,521,332	1834	81,024,162
1835	149,895,742	1835	101,189,082
1836	189,980,035	1836	106,916,680
1837	140,989,217	1837	95,564.414
1838	113,717,404	1838	96,033,821
1839	157,609,560	1839	100,951,004
Total	878,713,290	Total	581,679,163

In alluding to the measure of extravagance which has borne so heavily upon the country, we would not be understood to advocate an abstinence from all luxuries, or a recurrence of the time, when men lived in their primeval state in huts, clothing themselves in skins, and feeding upon the spontaneous fruits of the earth. Nor do we profess to belong to that utilitarian class, which would confine all human enterprise to mere animal wants; for these are objects which are no more exalted than those which actuate the beast. We consider human society not a collection of fractions, but a unit. The different classes which compose it have, by the division of labor, one common interest; and the luxury and refinement to which they administer by their own labor, is the necessary consequence of civilization. All the means of physical comforts should doubtless be secured; but human exertion should not stop here. It should strive to improve the moral and intellectual man. Hence, we say, that every painting and every statue which has a tendency to refine the taste, every book, every monument, every school, which is designed to add one noble sentiment to the human heart, is equally valuable with the means of mere physical comfort. Nor would we object to luxury indulged in moderate degree. It is to the encouragement of these interests, that individuals in the different branches of the fine and useful arts look for a support. What would be the condition of workers in silver, if no silver work was used? or of the carriage-maker, if we were all doomed to walk? Nor have we much respect for the miser, who with a niggardly selfishness denies himself the proper indulgences of life, and locks up his gold in a strong-box. He is not only of no benefit to the world, but an absolute curse, for he keeps that back from circulation which, like the air we breathe when it flows freely through the community, gives vitality to the working classes, and vigor to the whole frame of the mercantile body. The evil of which we complain, is the excess of luxury over the means of the people, while we advocate a moderate indulgence, believing that all classes are mutually dependent upon each other for support, and that an injury to one is felt by all.

Another reason of the depression under which the country is now laboring, exists in the spirit of over-trading which has pervaded the community, the natural result of the spirit of extravagance. Individuals, in commencing business, appear to have modelled their operations on too large a scale. They have moulded their plans on the proportion of the market which appeared to be spread out before them, or indulged in speculations which were found to burst like bubbles in their grasp—speculations in stocks and lands, which produced nothing but only a transfer of title, and adding not an item to the solid wealth of the country.

We do not doubt that the best, and in fact the only, mode in which we can save to ourselves the vast sums which are annually paid out for foreign importations, and found the fabric of our wealth upon an independent and solid basis, is *to increase the domestic production of the country.* We have attempted to show that the physical resources of the soil are eminently favorable for agricultural enterprise, and there are spread around us ample motives for its exertion. The land is cheaper than in any other country, and there is an independence and substantial comfort in the cultivation of the soil by its own proprietor, which eminently fits it for the citizens of a republican government. The various character of this soil, as well as its fertility, and its navigable rivers, and public works, furnishing convenient channels of navigation to foreign markets, renders this as safe and certain a track of enterprise as we could adopt. But while we would have agriculture the grand foundation of our national wealth, we would foster manufactures, commerce, and all the mechanic arts. The manufacturing establishments which have already been erected in a portion of our country, have gone on under the pledged faith of the nation, and we wish to see them succeed, and turn out fabrics which will bear a comparison with the products of foreign looms. Nor would we, while we cherish these two important branches of industry, neglect commerce, which is always the handmaid of refinement and civilization. We wish to see our inland rivers and lakes whitened by its sails, and the sky of every navigable stream darkened by the smoke of the steamer. We wish to see every fabric which floats the waves, be it the flat boat of the Mississippi, the shallop of the village stream, or the oak leviathan, driven by wind or steam, which ploughs the mid ocean,

> "Where the argosies with portly sail,
> Like signiors and rich burghers on the flood,
> Or as it were the pageants of the sea,
> Do overpeer the petty traffickers
> That curtesy to them, do them reverence
> As they fly by them with their woven wings,"

freighted with the produce of our soil.

We could wish to see every department of the mechanic arts prosperous under the fostering hand of the government; and we believe that a crisis is now approaching in which such will be found our only true policy. The principle which the present crisis is inscribing upon the mind of the nation, is that of *retrenchment and reform;* and we believe that the conviction is beginning to be strongly impressed upon us all, that we have too long depended upon foreign nations, and that we have within us all the resources of mercantile independence.

In order to show what our country may become, by the domestic industry which we have advocated, we need only glance at the present commercial condition of England. Her people and ours are of the same stock, and we see the little island, which appears like a speck in the ocean, achieving a reputation as the first commercial power on the globe. It is not the magnitude of her domain, for our territory is more than fifteen times larger than the whole island of Great Britain. It is not the fertility of her soil alone, for we have thousands of square miles of equal value; and it is not her geographical position, but it is the productive industry of her people, which has made the island like a garden, and her manufacturing establishments the workshops and the mart of the world.

It is only by directing the enterprise of our people to the right channels of productive industry, and by cherishing this enterprise by politic and enlightened legislation, that we can become in fact, as we are now in name, an independent nation, and compete with England in the market of the world. There is no formidable obstacle in our way to prevent this result. We have the soil, the climate, the resources of navigation, the machinery, the mechanical skill, the freedom, and the physical vigor. In our own country, the four great branches of national enterprise, commerce, agriculture, manufactures, and the mechanic arts, may each be directed to the aid of the other, and to one great end. They are twin sisters, with golden tresses falling upon fair countenances, and with bosoms swelling with the exultations of hope, bearing the olive branch of peace and the horn of plenty, linked hand in hand by the bonds of affection. Like another Ariel, they will watch over the destinies of the republic. They will enrobe the fields of our wide spread country in rich harvests. They will hurry the operations of the spindle and the water-wheel, and bring the blessings of independence to every man's door. They will fill our warehouses with the products of our own skill. They will induce an interchange of the productions of our different states, and thus strengthen the bonds of our union. They will whiten our inland seas and rivers with commerce, send forward our ships and steam vessels upon the ocean freighted with the products of our own industry, and make us the first, as we are now, after the lapse of only two centuries, the second commercial power upon the earth.

ART. II.—MORAL AND POLITICAL FREEDOM.

WHAT is civil freedom, and for what is it valuable? How far do we enjoy it? How far are our institutions fitted to preserve it? These are questions which we are apt to leave without reply in our common acclamations for liberty.

God has created society for the benefit of the individual man. He looks down upon the world not as a congregation of nations, or states, or cities, or villages, but as an aggregation of individuals. The good order and happiness of the mass, or of the majority, is not his ultimate object—it is the culture and happiness of the individual man. It is not the world, but man; not society, but the soul, which directly interests him. Society was constructed for man, and not man for society. His discipline, growth, and excellence, were to be advanced only by means of society, which the wisdom and benevolence of God therefore frames. Now, to imperfect beings, perfect and peaceful freedom is only compatible with perfect isolation and solitude. Perfect freedom is complete lawlessness—a state in which each man consults only his own inclinations and impulses. If his feelings were all right, if his judgment were infallible, he might live in society without any other law than the law of his own mind and conscience; but, being an imperfect and erring creature, a passionate and selfish being, and placed here as such, and for the very purpose of disciplining his passions and eradicating his selfishness, living in the midst of those equally disposed with himself to gratify their inclinations, it soon discovers itself to his reason, that the comfort and happiness of all require that society should be under some regulation, and this regulation, whatever form it may take, is government. Government, defined properly, is the laws by which *society* is regulated to the best good of *individual* men. I observed in the first place, you will remember, that society is nothing in itself; has no interests of its own—being in fact merely a name; that the individual is every thing in the sight of God. Much more, then, is government, growing out of society, unimportant in itself, having no independent rights, no divine authority, but entirely valueless and unauthoritative, except as far as it sustains society in its proposed influences upon the welfare of individual man. The best government is that which renders society most favorable to the development of individual man. Now, what is the true development of individual man? Man's whole dignity resides in self-control—self-government. He is designed to be ultimately a law to himself. He has rebellious passions and appetites—he has a wandering and wavering will. He is a kingdom made up of discordant elements, of contrasting and contending factions. He is sent into the world as a tribe of savages might be set in the midst of a forest, to work out by experience, by conflict, by sorrow, by discord, their civilization and final establishment as a free nation. Indeed, the history of the world is only the history of the individual written in larger type. Man is born a savage, and passes through barbarism, and semi-civilization, to his destined condition. Like the world, though in an inverted order, he has his iron, and his brazen, and his golden age. His development and destiny is the reduction of his various faculties and propensities to their internal law; in other words, it is to self-government; and precisely in proportion as he governs himself, is he absolved from other government. He is a freeman just to the degree in which he enslaves himself to his own conscience; for the only law which man is under obligation to obey, is the law of right. That law is enforced by God, in penalties, as far as it is not voluntarily submitted to. Man's excellence resides in a complete obedience to that law. He is a free agent—he therefore obeys it voluntarily or not at all. As far as he infringes it he suffers. But suffering by no means compels, though it may incline, and induce him to submit. The only freedom of which he is capable, is the *voluntary* accordance of his will with God's will. Then obedience is no longer slavery. He is perfectly free; for the definition of freedom is the undisputed exercise of the inclinations; and when the heart loves the right, the will practises it as the very law of its being, and is as free as though it made the law itself, having no disposition to change it.

You observe, then, that freedom, free agency, is the very essence of man's life and soul. As far as he is *compelled*, he loses his worth. The whole purpose of his creation is self-government, in other words, freedom; for this is the only freedom, as we have demonstrated, of which man is capable. All laws, then, except the laws of God, written in the constitution of our nature, are in themselves offensive and opposed to man's native liberty. Government is a necessary evil. If society could exist without government, it were much better, and as far as it can exist without it, it should. That government is best, therefore, which allows the most freedom—that is, which allows man to act most as he pleases. The only apology for any government, as we have said, is this, that in the imperfect and undeveloped state in which we here exist, some restraints upon individual liberty are necessary to secure the largest freedom to the greatest number; for all men have equal rights to freedom, and the weak must combine against the strong and institute laws in order to preserve their own liberties. Still, all along, you observe, that government is an evil because it substitutes force for voluntary obedience, might for right, and takes man out of the control of himself to place him under a foreign compulsion or restraint. We beg to be understood here: we are not arguing against governments or laws, but we represent them as a necessary evil. In one sense, nothing is evil which the condition of man renders necessary, that condition being as much ordered by Providence as his existence itself. But whatever grows out of the weakness, sin, or imperfection of man, whatever is to be done away with in his progress in wisdom and goodness, is in itself to be called evil, being the attendant upon it, just as the physician is the growth or representative of disease, and has his calling and existence done away by the prevalence of health. Now, government in itself being a necessary evil, on account of its interference with the freedom of man, upon which freedom his growth and excellence depend, it ought to be allowed only to the smallest possible extent. To determine what this extent is, has been and continues to be the great problem. This had been much easier of solution if the object of society had universally been allowed to be the culture and happiness of the individual; but, on the contrary, false and mischievous notions have prevailed in politics, which have quite overlooked man and the soul; and governments have been constituted with reference to the preservation of the rights of particular classes, or for the security of governors, or for the promotion of objects subsidiary to the good of the individual. There has always been an interested party, whose lust of power has resulted in governments of altogether unnecessary rigor. Absolute governments are the worst of all governments, because they make *no* acknowledgment of the right of individuals. Tyrannies deserve reprobation, not so much because they infringe the actual liberty of individuals, although this is bad enough, as because they strike at the very root of human dignity, and are directly and flatly at war with the object of life. It is for this reason that slavery is so much to be condemned and lamented—and all the more for the difficulties which perplex its removal—not that the immediate happiness of the slave is so greatly impaired, as that the great right of his life, the great peculiarity of humanity, the noblest privilege of his being, the inalienable claim of manhood, is denied him. Take away free-agency and moral responsibility, and you reduce a man to a chattel, a thing—you steal his soul away. This is the great objection to tyranny, that it shows no respect for man, no regard to conscience—

that it destroys self-government—that it thus interferes with God's primary law in the creation and condition of humanity. And governments are inimical to the best interests of man, just as they infringe upon or disregard this principle. They approach perfection precisely as they allow to each man the largest possible self-control, or voluntary conduct, consistent with the similar rights of the other members of society. A society of thorough Christians would need no government. Each would be a law to himself; and love, which is the fulfilling of the law, would secure justice to all. Christianity contemplates the final destruction of governments, except as far as certain regulations, which will give no power to rulers, and will execute themselves, may come under this name.

The excellence of a government is to be determined by the effect it has upon the culture and happiness of individual men. The largest freedom is essential to this, and our own government is to be prized above all others on this very ground. It seems to us that the oversight of this plain principle is at the bottom of that distrust which certainly possesses very many lovers of law and order relative to our institutions.

We are not able to say, neither are we much concerned to know, how the practical action of our government compares with that of others upon the order, and peace, and submissiveness of society. It seems to me to be quite a secondary question, how far it may facilitate commerce, or agriculture, or nourish the arts, or give dignity and importance to the country as one among the nations of the earth. These interests take care of themselves, and are by no means the highest interests of man. We advocate the views of no-party, nay know not distinctly what the views of any party are; but government is not to be measured by such standards. We strongly suspect, indeed, that free-trade will at some day be found most conducive to the interests of society, although the practices of other nations may require us, in self-defence, to adopt for the present other principles. But this is by the way. What we would say here is this: that the merits of our government are not to be measured with certainty by the difficulties which may perplex its operation. For instance, because freedom is sometimes abused with license—because the power of the people is sometimes injudiciously exercised—because the liberty of the press is sometimes perverted—because varieties of opinion in religion, politics, and other like subjects, divide and agitate the community—it by no means follows that liberty is to be restrained, or that other forms of government which prevent these evils are therefore better. They may be, nay, they certainly will be, attended with worse evils. Order, peace, submission, are merely negative. They are far from being the best things. Confusion with freedom is better than order with slavery. The peace of an absolute government is the peace of the grave. Its order is the harmony of machinery. Allow men to be men in the exercise of their individual wills, minds, and consciences, and they must needs dispute, contend, differ. Make them slaves, chattels, and they will be as docile and united as a herd of sheep, or the spindles of a factory. Those who abuse or distrust our institutions commonly take narrow views of the objects of society, and low views of man. The ease, dignity, and elegance of the upper classes of England is certainly superior to our own. The subserviency, obedience, and handiness of their domestics, infinitely surpasses any thing of the kind we enjoy. The fine arts certainly flourish under a wealthy and leisurely nobility—they certainly struggle under republican influences. What then? Is society designed for the benefit of a single class, or to promote the elegant accomplishments of life? Not so. The activity, and enterprise, and freedom, of our whole people, is not to be depressed and restrained, that the few who are unwilling to help themselves, may enjoy more ease or elegance in their domestic establishments. If government be designed for the benefit of society as society, without reference to the individual, other forms may possibly be shown to be more desirable than our own; but on no other ground; and even on this it would not be difficult to show that in the end, what is most favorable to individual growth must finally redound to the perfection of society, so that America may hope yet, to produce, in good time, a race of artists and scholars that will surpass any the world has seen. And this is not an ebullition of national vanity, but is based upon great principles.

Be it remembered, that our government is the only one on the face of the earth that in its very outset starts with an acknowledgment of the great foundation of all true governments, namely, the welfare of individual men—their equality, their right to freedom. It should occasion us no pride, but only excite our deep gratitude that our's was the first country where the noble experiment of a government based upon the great law of humanity was tried. It was by no accident and no human foresight that this trial was made. The progress of human events compelled it. The experience of many centuries had been working out the ideas which are at the bottom of it. And no sooner was a place found on the earth favorable to their foothold, than, by a necessary providence, they planted themselves there. It would seem as if God had kept this continent from the discovery of the world for ages, that it might not suffer by the experiments of government then trying elsewhere; that no traditional prejudices, or hereditary predilections, or time-hallowed political errors, might interfere with the establishment of a government based upon truth and righteousness. No where else could freedom then have found a safe asylum, much less a wide and generous home, when even now no nation of the old world is prepared to give her a public welcome, received as she is by stealth by many faithful spirits in all lands.

The greatest blessing of all others in our political institutions, is that they are based upon true principles, by which I mean, principles in accordance with the nature and adapted to the progress of individual man. They are free institutions, because man is by right a freeman, and the more free, the nobler and better. When we examine our government, we are not to look at the evils that attend its operation, as though they belonged necessarily to it. The TENDENCY of the institutions is to be regarded—their principle. An error in principle is vital—an error in practice is venial. A government based upon false principles must act wrong, and worse and worse continually. A government based on right principles may occasionally err, but it must err less and less, and its very errors touch near a vital part. Thus the acknowledgment of human equality is a fundamental truth. No government can possibly answer the true ends of government without it. But its publication is attended with misconception, vulgar pride, assumption and the idle exercise of authority on the part of the people. But after all, what are these exhibitions of bad taste, compared with the stupid inferiority and cringing and broken spirited disposition of the man in countries where this principle is denied.

The freedom of the press, too, is attended with considerable evils—with abuse of public men, with political rancor, with constant excitement; but what is this, compared with the excellent benefits resulting from the free expression of opinion, the widest exercise and publication of thought, the dissemination of truth on political subjects, the security which this general espionage over government gives us for its faithful discharge! Where this freedom is not allowed, government may be less frequently disturbed, public men less abused, and public measures less questioned; but an ignorant and slavish submission to public authority will take the place of a free and enlightened obedience. Be it observed, too, that while in other governments the necessary progress of man in knowledge and power tends to overthrow their order, and introduce constantly more and more difficulty into their councils, so that nothing but more rigor, or else constant concessions to the demand for liberty, will preserve peace. In our own, increased knowledge is just what we ask to perpetuate our institutions. Every day must remove the practical difficulties in their operation. Thus, with our increased intelligence, which this very freedom of the press facilitates, its own action will be regulated, its tone elevated, and its licentiousness fall under the ban of public opinion, which is the only restraint compatible with freedom. Thus, too, the vaunted power of the sovereign people—a true principle, however abused—will be exercised with more and more prudence, as the public mind becomes, through the activity and free inquiry which this very principle cherishes, more and more enlightened.

It is very frequent for Americans to claim a more general diffusion of knowledge among them than among any people. This seems to me not to be true. In the common sense of education, the Scotch, the Germans, the Prussians, are far better educated. But what is true, and far more important, because it is to be traced to a principle—education must finally be more general and better here than any where else; and even without the benefit of as good schools here as abroad, which, however, we need nothing but time and experience to supply, even without school education, it cannot be denied, that there is infinitely more activity of mind, more common sense, more practical ability, among us, than among any people. The public mind is stimulated in these United States to the most extraordinary and unexampled degree. The education received from circumstances, from enterprise, from interest in public affairs, from newspapers, from public responsibility, from the unshackled use of the faculties, in fine, from the general intercourse of man with man as an equal—the education which is received here from freedom, the good sense inculcated by our institutions, which lay broad and true ideas at the very bottom of every citizen's mind in his early infancy, and open his soul to truth, come from what quarter it may—this is the education, after all, which is most valuable, and which is here universal, taught in the great public school of national feeling and habit. The artificial or school education of these states is very imperfect, but every day is improving it, and the necessity and demand for it proceeds from the right quarter—from the people themselves. The value of knowledge is here known; those who ask for instruction are always ready pupils. The mind of this people is vastly before their schools. There is thought enough in America to make a great national literature; but as yet we have no true book-makers—no retired students to collect and express it. There is genius enough here to produce great works of art—but it is properly diverted into works of great public utility. Our national roads, our rail-ways, our viaducts, our ships, our institutions are our fine arts—our government is one great architectural structure. Men who, born elsewhere, would have been poets, artists, or scholars, are here workers—politicians, statesmen, public orators. The thought of America expresses itself in action. There is too much to be done, for much to be well said. It is no subject of regret that we have not a national literature or fine arts. Nothing but a diseased action in the public health could possibly have produced them at this time. And if the public mind receive instruction from other sources, the great ends of literature and arts are answered; neither having any value except for what they effect in developing and elevating the mind of the people. The effect of our institutions and condition is to exercise the faculties of our people to an immense extent, and this is all that we should ask. To set people thinking, is the greatest possible service you can render them. To bring mind into activity is education; books being a mere accident, and no essential part of education, and doing for none any thing more than the incompletest portion of their development.

But we must draw these remarks to a rapid and forced termination.

The substance of the view we have taken, may be thus briefly comprehended. We need to have an intelligent idea of the real worth of our institutions and of freedom. Freedom is desirable in all things; because freedom of will, of conduct, of thought, of conscience, is the necessary condition of human progress and the great principle of human dignity. A free government is invaluable, because it leaves man as much as possible in his natural state—leaves him as much as possible to himself—to his self-government, self-control, and self-culture. Our institutions are principally valuable because they let us alone—more to be prized for what they do not do, than for what they do. Our country flourishes and man improves, because, for the first time, humanity has a fair chance to act itself out. Man walks here without shackles, in no prescribed path, with no sentinels to stop his progress in any direction, or at any pace he may choose to go. Thus, faith in humanity is at the bottom of our freedom; and it has been proved that the more free you make man, the nobler and the better he is. The more you cast him upon his own resources—leave him to his conscience—neither support nor cumber his trade, his religion, his literature—but leave them all to struggle for life, the better they thrive. The great distinction and privilege of an American is this, that he is permitted to be a man—a self-sustained, self-regulating, a free man—the only man—not a subject, a slave, a machine—not in this caste, or that—belonging neither to the second or third estate—neither noble nor gentle, of lords or commons.—But a man—with a human head and a human heart—a God above and a conscience within—amid his fellows and equals—to work out his own happiness here and salvation hereafter, as he best can. This is freedom and humanity. God's government and man's government reconciled. Democracy is thus theocracy, and conscience, the vicegerent of God, is placed at the head of our national institutions.

We should end lamely, did we not point directly again to what we have constantly insinuated; that as the restraints of civil government are loosened, the bands of private government are to be tightened—that civil freedom is only safe to those who are in subjection to their own consciences. That nation is freest, after all, which is most in bondage to God. That man is the true freeman, whose will is reconciled to the right—who is not only absolved from the fear of the law, but from the fear of the future and its judgments. A few noble spirits have been free under the greatest outward tyranny, because their minds could not be fettered; and men may be slaves in America—slaves to public opinion, slaves to vice, slaves to fear, to the devil. Those who sin are the servants of sin. A law against murder is no restriction upon a man who has no inclination to kill. But all laws, however light, are slavery to those who are lawless and vicious, and the requisition of God and conscience are the worst slavery of all to those who do not become freemen in Christ Jesus, by learning to love the law, and so render their duty, their inclination, their necessity, their preference. The love of the right and of God is thus the secret of all freedom. It alike frees the slave of the most absolute tyranny, and binds to the rule of safety, the citizen of the laxest freedom. The disciple of Jesus is free every where—in Turkey or America, on earth and in heaven.

ART. III.—CAUSES OF UNSTEADINESS OF THE CURRENCY, AND THE REMEDY THEREFOR.

NUMBER I.

WHAT CONSTITUTES CURRENCY?

A RECENT writer, in treating of the currency, remarks, that there is no subject in relation to which more erroneous notions prevail. "The expansion of the currency, the contraction of the currency, the depreciation of the currency, are," he continues, "every-day expressions, and yet very few persons can precisely point out the elements of which the currency is composed."* Nothing can be more true. The trade in money has been so universally the subject of restriction and regulation, and has been so much mystified, that it is generally deemed incomprehensible; the consequence of which is, that few persons attempt to understand it, although the most important of all trades, and the one which it is most desirable should be perfectly understood. With the single exception of the maintenance of peace, there is no matter of equal importance with the establishment, and maintenance, of steadiness in the value of that commodity which is the measure of the value of labor and of property of all descriptions. It tends to promote physical, moral, and intellectual improvement, while unsteadiness and irregularity tend to produce physical, moral, and intellectual deterioration. Our readers will, therefore, we trust, not be indisposed to give a little time to an inquiry into the causes of unsteadiness that is so uniformly observed to exist, and into the mode of preventing future changes.

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* Raguet on Currency and Banking.—p. 181.

In the early period of society, trade is carried on almost entirely by barter. The tenant pays his rent in labor, or in produce, and his landlord exchanges that produce for such commodities as are required for his consumption. With the increase of capital, of population, and of trade, a medium of exchange is adopted, and by slow degrees the system of labor and of produce rents passes away. The tenant contracts to deliver money to the owner of the land which he cultivates, and the purchaser of a commodity delivers money to the owner in exchange for it.

From an early period, gold and silver appears to have been used for the purpose of facilitating exchanges—or as currency; but it is only within a comparatively short period that they have come into general use in the internal commerce of any nation. Even now, throughout a large portion of the continent of Europe, labor and produce rents are almost universal, barter exists to a vast extent, and money is little used. Nevertheless, among all civilized nations, silver and gold are the standards by which all values are compared. That they should have been thus universally adopted, results from the fact that, although disseminated throughout a large portion of the earth, their production requires a larger amount of labor than is required for an equal quantity of any other commodity equally susceptible of being rendered useful to man, and hence they will at all times exchange for more labor, or more of the products thereof, than an equal quantity of any other commodity, with a few unimportant exceptions. Gold is, therefore, said to be more portable than silver, and the latter more so than iron. The same power which would be required to move a ton of silver could equally well move a ton of iron, and therefore it is not in that sense more portable, but it is so in the fact that the first represents the labor of forty or fifty thousand days, while the latter represents only that of fifty or one hundred. Diamonds are still more portable than gold, but they are little used in the arts, and are incapable of the subdivision required to fit them for use as a general instrument of exchange. The labor required for their collection is great, and they owe to their rarity the estimation in which they are held. The annual consumption of gold and silver is nearly equal to the annual product, and it tends constantly to increase, whereas of diamonds there is almost none The owner of any quantity of the precious metals may feel assured that they will not be less useful fifty or a hundred years hence than they now are, and consequently that the desire to possess them will then be at least as great as it now is, whereas the owner of diamonds can have no security for the continuance of that taste which alone induces persons to pay extravagant prices for them.

The great consumption of gold and silver takes place in those parts of the world in which population and capital most abound, and where commodities of the most expensive description are manufactured. *There* is the best market for them; and hence there is a constant *current* from the countries which produce those metals, to those which consume them—from Mexico, Peru, Russia, and others—to London and Paris. London is the centre of capital for the world at large, and to that point is the tendency of the current greatest; and that tendency, in a natural state of things, is as constant as is that of water to the ocean. Fall where it may—upon the highest hills or in the lowest valleys—we see water collecting in streams, constantly augmenting in volume, until they finally discharge themselves into the great reservoir. In like manner we observe the small quantities of silver produced in the various parts of Mexico gradually collecting together and directing themselves towards Vera Cruz, Tampico, or St. Louis, to be there exchanged for commodities required by the producers. Thence they pass off to New Orleans, New York, and other places, where they serve for a time the purpose of facilitating exchanges, but at length are transmitted to Europe, to be there used in the manufacture of the various commodities into the composition of which they enter. With every approach to the great market, there is an increase in their exchangeable value, and thus a pound of silver will command a larger quantity of the conveniences and comforts of life in New York than at Potosi, and a still larger quantity in London than in New York. This difference of value constitutes the difference of exchange, which, in a natural state of things, is always in favor of the gold-*consuming* countries—those which most abound in capital. Its extent is generally limited to the cost of the transportation and insurance of gold or silver.

This centripetal tendency of the precious metals observed throughout the world, prevails in nearly an equal degree between all the smaller centres of capital, and the districts dependent upon them for supplies. Thus, every part of the states of New York and Pennsylvania desires to place money in New York and Philadelphia, and exchange is consequently always in favor of those cities, as in Massachusetts it is in favor of Boston. They are the large streams through which the water of the springs and creeks must pass to reach the ocean.

While remaining in the form of coin, or bullion, the precious metals are useful only as instruments for facilitating exchanges, precisely resembling carts and wagons, which add nothing to the quantity of commodities produced, yet are highly useful in aiding exchanges between the producers and consumers. The more perfect the means of transportation, the smaller will be the amount of capital employed in vehicles for transporting the products of labor, and the larger will be the amount of capital in the form of ploughs, harrows, and other machinery, by aid of which the quantity of commodities is increased. In like manner, we should find with every improvement in the facilities of trade, a constant decrease in the amount of gold and silver required for the performance of exchanges, and an equally constant increase in the capital applied to agriculture and manufactures, causing a constant decrease in the *proportion* between the medium of exchange and the amount of commodities to be exchanged.

In the early ages of society, there is little security for person or property; men have little confidence in each other, and credit is unknown. When exchanges are made, the commodities exchanged are delivered on the instant. The facilities of transportation are small, and men seek money, because readily hoarded or transported. With the increase of population and capital, men become daily more secure in the enjoyment of the rights of person and property; there is a constant improvement of physical and moral condition, and confidence arises. It is no longer deemed necessary that all commodities should be paid for on the instant. Money is no longer hoarded. Its owners desire, on the contrary, to use it in trade, or to lend it to others who will so use it, and will grant them a compensation, in the form of interest, for the advantage derived from its aid. Shops are opened for the purpose of trading in money, and those who possess gold or silver coin, or bullion, deposit it with the masters of those shops for safe keeping. With the farther increase of confidence, men are enabled to adopt labor-saving machines, termed checks or drafts, by which the money deposited to their credit is transferred. Another step in the progress of confidence, gives us circulating notes, by means of which money deposited in a bank is transferred from hand to hand with no farther trouble than that attendant upon the delivery of the note. We now have a mixed currency, composed of the precious metals and of paper, convertible on demand into coin, a consequence of the increased confidence of man in his follow man, resulting from the steady improvement of physical and moral condition that acccompanies increase of wealth and population. With every step in this progress, we should find a diminution in the *proportion* of currency to production, and thus, that the total amount of a mixed currency would bear a smaller proportion to the trade of the nation by which it was used, than would that of another nation whose currency consisted exclusively of coin. As every diminution in the proportion which capital employed in transportation bears to the merchandise transported, is an evidence of improvement in the facilities of exchange between *places*, so every diminution in the proportion which currency bears to exchanges, is an evidence of an improvement in the facilities of exchange among *persons*, the best system being that which affords the most perfect facility at the smallest cost.

In the advanced state of society now existing in Great Britain, and in the older states of the American union, all exchanges are performed by aid of money; that is, the party desirous to obtain any commodity, stock, house, or land, contracts to deliver in exchange therefor a certain number of dollars, or pounds. The laborer contracts to exchange a certain quantity of labor for a certain amount of money. The landlord demands a certain quantity for the use of his house, or his land. The shoemaker and the tailor demand dollars in exchange for their shoes or their coats. Every man who desires to change the form in which his capital exists, seeks some one who will contract to deliver money in exchange, and having done so, his next business is to find another who will, in exchange for money, contract to deliver him that commodity, or property, which he desires to possess.

In this manner, all capital, as it becomes disengaged, or uninvested, assumes the form of money, or of claims for the receipt of money. The laborer has accumulated a capital equal to the labor of a week, and he has it in the form of silver, or in that of a claim upon his employer, or in that of a bank note; both of the latter being convertible upon demand into coin. B has sold to his neighbor a house, for the price of which he holds his due bill, payable on demand in coin. C possesses a thousand dollars in silver, the produce of one hundred barrels of flour. D has twenty thousand dollars to his credit in bank, the produce of land that he has sold; and E has a similar sum in circulating notes, received in exchange for a bond and mortgage, or for a promissory note discounted for him at a neighboring bank. All these persons have capital uninvested, yielding them no return. All of them can convert it into coin if deemed necessary, but so long as the power of making a draft upon the employer, or a check upon the banker, or as the possession of bank notes, places them upon the same footing, and gives them the same power of purchasing commodities as if they had the coin in their pockets—so long as capital in any of those forms passes *current* as money, none of them will deem it necessary so to convert it. On the contrary, C will, most probably, place his thousand dollars in a bank, in order to avail himself of its services to transfer it to his order in such sums, and to such persons as he may desire, thus facilitating his exchanges.

In order that capital in any form shall constitute currency, it is indispensable that it be applicable to the fulfilment of contracts for the delivery of money; that is, if not in the form of coin, it must be convertible thereinto *on demand.* A bond or note, payable in one, two, or three months, or years, cannot be so applied. Its owner may *barter* it, as he would a house, or a horse, but it is invested capital, and cannot be used for the *purchase* of commodities, or for the payment of notes, or other debts payable in money. If he desire so to use it, he must find some one who has uninvested capital, and who is willing to invest it by purchasing his bond, and giving him money in exchange. A bank note, or the check of an individual, that can be converted on demand, will pass current among fifty or five hundred persons, cancelling as many engagements for the delivery of money; but a bank post-note, or a check, that cannot be so converted, will only be received by those who are content to wait, upon being allowed a consideration for the delay and the risk attendant thereupon. It cannot obtain currency. The manufacturer who sells his goods on credit, must either have sufficient uninvested capital to enable him to pay the wages of his workmen, or he must find some one who has, and who will exchange it with him for the notes he receives from the purchasers of his goods.

Contracts for the delivery of money, to pass current as money, must be convertible not only at *the time*, but at *the place* at which they are held. The attention of the reader has been drawn to the fact, that the precious metals tend always to the centres of capital of the various portions of the world, and through them to the place of chief consumption, which is London; and that there is a tendency to a constant increase in this exchangeable value as they approach that centre. A bill of exchange drawn on London is therefore more valuable in New York than a sum of money equal in amount thereto; and so is a bill on New York in St. Louis, or a bill on St. Louis in Mexico, their possessors having the power to claim a certain quantity of gold or silver, which has paid the expense of transportation and insurance, on its way to the great market of the world. The appearance of such a bill in New York, has the effect of arresting the efflux of money to a similar amount, while the influx is not diminished, and thus the currency of New York is increased by every transfer of uninvested capital from London, while every such transfer tends to diminish that of the latter. A bill on New York produces no such effect in London, until its owner, having transmitted it to the former, has received money in payment, after the lapse of one, two, or three months.

It sometimes happens that contracts for the delivery of money pass current in places where, from the natural course of trade, they would not do so, without special arrangements for that purpose. All the bank notes of Massachusetts pass current in Boston, because the banks throughout the state have agreed to redeem them there. Without such agreement, there would be always a discount upon those payable out of the city, equivalent to the delay and expense attendant upon sending them home for redemption.

Claims for the *receipt* of money, whether in the form of bank credits or deposits—the notes of banks or of individuals—or of bills of exchange—can be *current*, and can act as *currency*, only when their owners have the *power* to apply them at the *time and place* to the discharge of all engagements for the *delivery* of money.

To constitute currency it is, however, essential, that in addition to the *power*, there should be THE WILL to use, or to make currrent, capital existing in the several forms above described.

Gold buried in the earth, or deposited in strong boxes, is not currency. Its owner wants the will to use it. Whenever there is an increase in the tendency thus to hoard the precious metals, the currency is diminished and prices fall. Whenever there is a diminution of that tendency, the currency increases and prices rise.

Gold or silver retained in the vaults of banks to meet their engagements, is not currency. If the holders exchange it with those who possess their notes, or have other claims upon them, it is merely a change of the form in which the currency exists; but if they lend it out without cancelling their existing liabilities, it then constitutes an addition to the amount of currency.

Circulating notes, or certificates of deposit, the owner of which wants the will to use them, cease to be currency. Thus, let us suppose the amount on one day as follows:

Circulation, specie and notes - - - -	$5,000,000
Deposits, - - - - - - -	10,000,000
	$15,000,000

and that the owners thereof are all desirous of investing it in the purchase of commodities, stocks, houses, &c., but that the morrow brings with it news that war is likely to take place. This intelligence produces doubt as to the stability of the existing state of things, and the owners of capital lose the desire of making investments. The currency is reduced by this change of will, and now stands thus:

Circulation, - - - - - - -	$5,000,000
Deposites, the owners of which require to use them for the performance of existing engagements, - - - - - - -	5,000,000
Total currency, - - - - -	$10,000,000

The remaining five millions are not current—they have ceased to have any influence upon the prices of commodities or stocks, all of which fall, because money has suddenly become scarce, although the apparent amount of the currency is unaltered.

If doubt and uncertainty continue to increase, every person who has a claim for money desires to have it paid, and there is a constant diminution in the will to re-invest it. The consequence is a continued fall of prices. The necessity for circulation diminishes with the diminished prices of commodities and the diminished power to purchase them, and it gradually assumes the form of deposits in bank, or in the coffers of individuals. In this state of things, the parties with whom these deposits are made are not unfrequently, in order to prevent universal bankruptcy, obliged to assume the responsibility of loaning out the capital placed with them, and thus is produced the phenomenon of an increase of the *apparent* amount of currency, with a vast reduction of prices. We now find—

Circulation, - - - - - - - -	$4,000,000
Deposits, - - - - - - - -	13,000,000
	$17,000,000

But the owners of eight or ten millions of these deposits have not the will to use them. The institutions with which they are lodged now owe two millions more than at the first period, and their loans have increased two millions. They are more expanded, yet money is said to be scarce, and prices are reduced one third, or perhaps one half. What is now wanting is, that the owners of capital should acquire the feeling of confidence that is necessary to produce a desire to convert their claims for money into commodities or securities, and thus to invest their capital. The moment that feeling arises, the debtors to the banks are enabled to part with the property they hold, and the same operation cancels at once the *liabilities* of the banks *and their claims* upon the community. The *apparent* amount of currency is reduced, *and prices rise.* The *real* amount is increased, because the owners of capital have acquired the desire to invest it.

Every one familiar with the operations of trade, must have been struck with the fact, that prices are frequently much lower when the liabilities of banks, in the form of circulation and deposits, are large, than when they are moderate in amount. After months of severe pressure, during which it is supposed that those institutions have been steadily reducing their loans, it is found upon inquiry that they are more expanded than ever, the simple reason of which is, that individuals, alarmed at the prospect of a reduction of prices, or the approach of war, withdraw their capital from employment, placing it in the banks on deposit, thus increasing the *apparent* currency, and the banks are compelled to lend out a part of the capital thus deposited, to prevent the ruin of those who have engagements to meet.

A deposit in the bank of England, to the credit of a person residing in New York, is not currency in the latter; but if he grants his order for the delivery of it, it becomes so, as those to whom it is granted can use it in discharge of debts payable in London. He receives the money that would have been transmitted, had he not made the draft. If he wills to apply it to the purchase of stocks or commodities, its character of currency continues, but if he deposits it in a strong box it ceases to be so.

The proprietors of uninvested capital retain it in the form of coin, or bullion, or deposit it with individuals, or associations, to be transferred by means of circulating notes, checks, or drafts. The total amount thus held may be applied to the purchase of real estate, stocks, or commodities—may become *current*—if the owners will it, or they may hoard their gold, and let their deposits lie idle and unproductive to them, if they want the will to invest it. In the one case, it constitutes currency; in the other, it does not. *Currency is capital seeking investment.*

This definition is more comprehensive than that usually given, which embraces only bank notes and specie, and some of our readers may be inclined to doubt its correctness, but a little reflection will, we think, satisfy them of it. The man who transfers $1,000 by a draft on a neighboring merchant, or broker, or by a check upon a bank, does so as completely as if he had delivered that amount in gold, or in bank notes. If the person drawn upon does not possess that quantity of uninvested capital, he must dispose of a portion of his invested capital to those who can give him money to meet the draft. He must deliver that amount in such form as will enable the receiver to fulfil any contracts for the delivery of money.

Every increase in the amount of capital thus seeking investment, tends to produce a depreciation of the currency, by raising the prices of commodities. The term depreciated currency is, however, more commonly applied to those promises to deliver money which are in current use, and yet are not redeemed on presentation. Money may thus be depreciated in reference to stocks, houses, and commodities, and bank notes and credits may be depreciated as regards money.

In our next we will endeavor to show what are the causes which tend to produce variations in the amount of currency.

ART. IV.—RATE OF INTEREST—USURY.

THE House of Representatives of the Commonwealth of Massachusetts, during its present session, passed an order that a select committee of five be appointed to consider the expediency of modifying or repealing all laws regulating the rate of interest, except so far as may be necessary to establish a legal rate in cases where there is no rate specified. And that said committee also inquire into the expediency of providing by law, that a rate of interest greater than six per cent. shall in no case be taken, and that a violation of such law shall be considered a penal offence, and be punished by fine and imprisonment. The reports of the majority and minority of that committee have been transmitted to us, by the politeness of the Hon. John P. Bigelow, Secretary of State. It is not possible to insert them at length in this number of our magazine; we have endeavored to present, by liberal extracts from their pages, a fair view of both arguments. The report of the majority quotes the broad principle laid down by a distinguished writer, "that no man of ripe years and sound mind, acting freely, with his eyes open, ought to be hindered, with a view to his own interest, from making such bargain in the way of obtaining money as he sees fit. Nor should any body be hindered from supplying him upon any terms he thinks proper to accede to." This principle the majority report affirms to be manifestly correct; an opinion which we consider to be sound and true.

"The principal reasons," says the majority report, "in favor of a legal regulation of the rate of interest, are two. First, that money possesses an attribute which is possessed by no other commodity, and which is given to it by law, namely,—it is the measure of value. Second, some regulation is necessary to protect the needy borrower from the rapacity of greedy usurers, who would take advantage of his necessities if the law did not protect him. A slight examination of these reasons may be useful in this inquiry.

"Does money, then, possess any attribute not possessed by other commodities?

"Money is found in the early stages of civilized society. The precious metals appear to have been adopted as a measure of value, by all nations, on account of their being better adapted to the desired purpose than any thing else. In the exchanges of property, to which a civilized state of society gives rise, it early becomes necessary to find some commodity which would answer as a measure of value in effecting these exchanges. For, as the seller of one article might not be able to obtain, from the person to whom he was selling, other articles necessary for his use, but be obliged to procure them from a third person, it would be necessary for him to take some article in payment which would be received by such third person, or if he must deal with several persons, an article which would be received by any or all of them. The precious metals are well adapted to this purpose. They are so valuable for many purposes, as to be desired by every body. They are not destructible. They are easily transported from place to place. They are divisible into minute parts, so as to be equally useful in the smallest and largest exchanges. For these and other reasons, they appear to have been adopted by general consent. And inasmuch as they were easily adulterated, and it was not always convenient to ascertain their weight, it was found necessary for governments to cut them to pieces of a given weight, and affix a stamp certifying that these pieces were of such weight and of a given fineness, which stamps were originally a mere mark upon the ingot, but changed by degrees to a stamp upon the sides and edges of the coin."

"Now the gold and silver in its uncoined state, is an article of merchandise in the eye of the law, and is bought or sold in the market at a price higher or lower, according to the relative proportion of the supply to the demand. Does, then, the stamp of the government change its character? That stamp is merely a certificate that the piece is of a certain weight and fineness." * * * *

"It is not perceived that the coining imparts any value to the metal, or clothes it with any special attribute."

"Gold and silver, therefore, would seem, not only as bullion, but as coin, to take their value in the market according to the proportion that the supply of them bears to the supply of other things." * *

"If we suppose a state of things when money is worth six per cent. interest, and the profits of business will enable a borrower to pay that rate, and leave him also a fair remuneration for his time and skill; and then suppose another state of things, when, owing to an unfavorable balance of trade, or a famine, which makes it necessary to export the specie in the country to pay for bread, or to any other cause, the supply of money is reduced one half. Prices have fallen. The same amount of money will command twice the value of other articles which it would before, or twice the quantity of real estate. The value of money has doubled,—and doubled in obedience to laws that no legislature can control. But the law forbids the taking of greater rate than it allowed before, and thus inflicts an injury, it may be, on all parties. There is a demand for money from debtors to pay existing debts. The obstacle thrown in the way of borrowing it at such rate as it is worth, compels them to throw property into market, and sacrifice it at a half or a third of its value, when the scarcity of money may be owing to temporary causes, and a loan for a short time, at a small sacrifice in the way of interest, might have saved a much greater loss. There is also a demand from persons who wish to purchase property at the current low rates. These are prevented from giving what they think it for their interest to give, and from thus creating a competition for property that would prevent that ruinous sacrifice which must be made in many cases. And if any person loans money at the legal rate, in this state of things, and receives payment when the currency has been restored to its former relative value, he can only receive half as much as he lent. He receives the same nominally, but it will command but half as much of any description of property as it would command when the loan was made."

"Regulation of the rate of interest has been thought to be necessary by many, because, were not a rate fixed by law, borrowers would be subject to the extortions of usurers, and needy men, in particular, would be at the mercy of avaricious capitalists. It is, however, the opinion of many, and that opinion is becoming more and more prevalent, that these restrictions not only do not benefit borrowers, but are an actual injury to them. For in loaning money at a rate of interest above that which is allowed by law, the first step is to break the law and become liable to its penalty. The lender takes this risk into the account, and charges a premium for assuming it, which the borrower must pay. Parties also dislike to be known in evading the law, and are thus led to act through brokers; and it is frequently remarked among men of business, that usurers will ask and obtain through brokers prices for money which they would not think of asking if they acted openly for themselves. These expenses are all to be borne by the borrower, in addition to the brokerage, and are all to be traced to the operation of the law."

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"It is a matter too notorious to be denied, that notwithstanding the restraints of law, money takes its market value. It is quoted in the newspapers daily; and it must be apparent, that such is the state of public opinion, that an enforcement of these restrictions is an impossiblity which the law cannot achieve. Now, where any law is openly and universally disregarded, it is a serious question whether it should be permitted to remain on the statute book. Public opinion is of superior authority to legislative enactment. Legislation in opposition to it is worse than useless. Not only does the law at variance with public sentiment become a dead letter, but the non-observance of it tends to engender a disposition on the part of individuals to disregard law whenever it may be for their interest or convenience to do so.

"There is another consideration which deserves attention. The tendency of the laws regulating the interest of money, and fixing a maximum rate which may be taken, is to favor monopoly, and in a remote degree, if not directly, promote those convulsions in the business community, with which in this country we seem destined to be periodically afflicted. The law fixes the maximum rate at six per cent. Immense sums are to be loaned by institutions which are under the eye of the authorities, and cannot take any greater rate. Large amounts are also loaned by individuals, who from conscientious scruples, or perhaps some fear of the law, feel confined to that rate. Circumstances occur which raise the market value of money above six per cent. As money is in demand, those who have it to loan receive many applications for it. The law has fixed the rate of six per cent. as the highest that may be taken. The lender having this fixed in his mind, only considers which applicant offers the best security. As men are apt to be captivated by great names, the probability is, that the money will be loaned to overgrown houses of high credit, or corporations of large nominal capital, and turned away from the hands of the industrious and enterprising part of the community, who are driven to usurers to borrow at a greater rate, without the benefit of that competition which would exist among lenders were there not a law which prevents these lenders from coming into open market. It is remarkable that, in the crisis of 1837, those houses that were most extensively engaged in business, and supposed to be the most substantial, were among the first to yield to the pressure. And it is not improbable, that the tendency of the laws to turn the current of floating capital into the hands of parties of high reputation for wealth, was the primary cause of their too great extension and final failure."

The majority of the committee entertaining these views, were of opinion, that it was desirable to expunge from the statutes of the state the laws relating to usury, as among those unproductive of good, and which were practically disregarded. But they suggest reasons why an entire repeal of those laws would not now be expedient; they think, however, "that the way might be seen clear, to take one step towards the repeal of laws, which can be looked upon only as relics of ancient ignorance and prejudice, leaving it to succeeding legislatures to act farther in the matter, as the public good may require." They therefore reported a bill, that no person should thereafter be liable to certain portions of existing laws, for taking, upon any loan of money made after the enactment of the bill, a greater rate of interest than six per cent., when such greater interest shall not have been taken for a time longer than six months. Provided, however, that corporations or banks are not to demand or receive, in any way, any greater rate of interest or discount than such corporations are now allowed to take by law.

The report of the minority, the author of which stood "solitary and alone," is written with ability, and its style and argument are creditable to the dissentient member. We have already devoted so much space to this subject, that we feel obliged to condense the argument of the minority report into as brief space as possible. The author commences with the remark, that the "experience of all nations and ages has found it necessary to protect the great mass of the community from the avarice and extortions of money dealers and usurers. And this common experience and practice of mankind is certainly one argument in favor of such laws;" referring to the laws regulating the rate of interest.

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"There is no more money in the world to be let at one rate of interest than another. The usurer does not make the money that he lets, it is created by government, and ought not to be increased or diminished, and the alternations of scarcity and plenty produced by usurers, is a crime deserving of the severest punishment. The reason for leaving the price of every thing else to take care of itself, instead of being an argument in favor of leaving the interest of money to take care of itself, is the strongest reason against it. When the price of any thing rises, it stimulates a greater production, and the supply is made to meet the demand. But when, on the other hand, the price of money rises, as it cannot stimulate the government to make more money, every person uses it more sparingly, and consequently prices fall, when, if the measure of value had not been tampered with by usurers, prices should have risen or remained stationary. Money is designed to point out to the community the scarcity and plenty of every thing else. But how can it do this, if money itself is liable to the alternations of scarcity and plenty?"

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"Money is not like any thing else in the world. It can hardly be said to be a consumable article. It is so durable, that a large part of the gold and silver in use before the Christian era, is still supposed to be in existence; and the productiveness of the mines but barely serves to keep up in the world the wear and tear of these very indestructible materials; the amount in use, therefore, must always remain about the same, and none of the reasons for the rise and fall of the prices of any thing else, can be applicable to money."

"It is often contended, however, that the price paid for the use of money is no more susceptible of legal regulations than the rent of houses, the price of goods, or the wages of labor. But the interest of money is not analogous to any of these things, unless there is a kind of analogy between interest and rents. But, then, rents of all kinds depend, in a great degree, upon the interest allowed on money. If the interest on money were twelve per cent. instead of six, the rents of houses and lands would of course be doubled. No man could afford to make improvements, or undertake any kind of business, that would not pay the interest on the capital invested. So if interest were reduced, every one must see that rents, dividends, and profits, would also be reduced. How absurd then, it is, to compare the laws against usury with a law fixing the rents of houses and lands, when it is evident, that this very law against usury does, in fact, fix the rate of rents in the most effectual way it can be done."

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"We are often told that both the borrower and the lender desire the repeal of the usury laws, that it is for the interest of the borrower to hire money as cheap as possible, and of the loaner to get as much as he can for the use of his money, and the whole matter can be safely left with them. There is more plausibility than truth in these assertions. For it is obvious, upon a little reflection, that the interest of the borrower and that of the lender is not, upon the whole, adverse to each other. It is for the benefit of the borrowers as a class, to have the rate of interest high; because a high rate of interest enables more men to give up business and live upon the interest of their capital, and consequently leave more business to be done by the borrowers of money. The lower the rate of interest, the more business requiring the investment of large capital would have to be done by the real owners of wealth. It is therefore for the benefit of the borrowers, as a class, to have the rate of interest high enough to bribe the capitalist to lie still, and suffer the borrowers to be the conductors of most of the speculating, mercantile, and manufacturing business of the community, although in this way the people are obliged to support two sets of men, instead of one, in these employments. There is no reason why the borrowers, as a class, should desire to have the rate of interest low. The borrower does not pay the interest on the money he borrows, any more than the auctioneer pays the auction tax, or the merchant the duties. The borrower, the auctioneer, and the merchant, know that these are each a method of indirect taxation; that the interest, the auction tax, and the duties, are all to be repaid to them with profits by the consumer. It is the consumer, then, and not the borrower, the auctioneer, and the merchant, that has an interest to have all these different contrivances of indirect taxation reduced down to the lowest rate consistent with the general good.

"The experiment of repealing the laws against usury has been tried in almost every country, and found to be pernicious. The rate of interest was formerly fixed in England at ten per cent. This law was repealed in the sixteenth century, and for nineteen years the interest on money had no legal limit. Lord Burleigh, in the reign of Elizabeth, restored the law, giving the following reasons: 'that the repeal of the statute against usury, had not been attended with the hoped for effects, but that the high price for money, on usury, had more and more abounded, to the undoing of many persons, and to the hurt of the realm.' In 1685, the rate of interest was reduced to eight per cent. And Sir Thomas Culpepper, a writer of great knowledge, in speaking of the good effects of this reduction of the rate of interest, writes thus a few years afterwards: 'This good success doth call upon us not to rest here, but that we bring the use of money to a lower rate, which now I suppose will find no opposition—for all opposition, which before the statute was made against it, is now answered by the success.' Oliver Cromwell reduced the rate of interest from eight to six per cent., and the reduction was confirmed after the restoration, on the following grounds: 'For as much as the abatement of interest from ten in the hundred in former times, hath been found by notable experience, beneficial to the advancement of trade, and improvement of land by good husbandry, with many other considerable advantages to the nation, and whereas in fresh and recent memory, the like fall from eight to six per cent., hath found the like success to the general contentment of the nation, as is visible by several improvements, &c.' All the writers of those times seem to agree in the descriptions of the benefits conferred upon the nation, by the several laws reducing the rate of interest. Finally, in 1714, the rate of interest was reduced to five per cent., upon the ground, 'that the reducing the rate of interest to ten, and from thence to eight, and from thence to six in the hundred, hath from time to time been found beneficial to the advancement of trade and the improvement of lands, &c.' It should, besides, be remembered, that the repeal of the usury laws in the state of Alabama, was attended with such a rise in the price of money, and other ruinous consequences, that they were re-enacted in less than one year after they were repealed.

"But it is often said, that the laws against usury are not enforced, that the price of money is promulgated every day in the public papers, and that it is sometimes two or three per cent. a month, and that laws which are not enforced had better be repealed. But the evil consists in this, that the *penalty* against usury has been repealed, while the *law* against usury exists on the statute books. There was no complaint of the non-enforcement of the law, while the penalty for taking excessive usury was a forfeiture of principal and interest. Who would dare to let money to another, at unlawful interest, when he knew that the law made the borrower a competent witness to convict him of usury? But the chance of losing the interest, or treble the interest, is not enough to restrain any body that has a mind to do so, from taking excessive usury. But let the former penalties be restored, and we shall never again hear of money shaving, at two or three per cent. a month."

Such being the opinions of the author of the minority report, he appended to it a bill to restrain excessive usury; which provides, that every contract for the payment of a greater rate of interest than six per cent. should be void, and that, if an action be brought on such a contract, the defendant should recover full costs, and the plaintiff forfeit both principal and interest. That whenever a greater rate of interest than six per cent. shall have been paid, with or without the principal or any part of it, the parties paying may recover back all he had paid, both of principal and interest, if process be commenced within two years from the time when the last payment was made. That any person who directly or indirectly shall receive any greater interest than six per cent., shall be deemed guilty of a misdemeanor, and liable to a fine not exceeding one thousand dollars, or imprisonment not exceeding six months, or both.

The reports have not been acted upon by the house, so far as our knowledge extends. When they come up for consideration, they will unquestionably elicit a most interesting discussion, which may prove of great importance and value to those in other states, whose attention has been directed to a matter of such universal concern, as the laws relating to the rate of interest upon loans, and punishment of usury.

Public opinion appears to be in favor of a repeal or modification of the usury laws throughout the country. The citizens of Philadelphia have recently petitioned the legislature of Pennsylvania, for a repeal of the law in relation to promissory notes and acceptances having not more than six months to run. The memorialists refer to the beneficial effects which have been experienced in England, during the late severe money crisis, from the adoption of a similar measure, as regards paper having twelve months to run. A pamphlet published in London, in January last, entitled, "Remarks on the management of the circulation, and on the condition and conduct of the Bank of England, and of the country issuers during the year 1839, by Samuel Jones Lloyd," fully corroborates this assertion. Mr. Lloyd is an eminent banker, and is favorably known as the author of several publications on currency and banking, and his testimony is therefore valuable, as founded both upon practice and theory.

We give an extract or two from Mr. Lloyd's pamphlet. At page 54, he says:

"With a view of strengthening the hands of the bank, (of England,) and enabling it to check the otherwise irresistible demands for increased issues upon discount, the usury laws, so far as they affected the rate of interest charged upon discount of bills, have been repealed, and great benefit has arisen from this measure. *It is difficult to say to what extremity the bank would have been reduced at the present moment without this protecting power.*

"The partial repeal of these laws, has been of incalculable advantage to the commercial community, by securing the free circulation of capital, and the power, by the inducement of higher interest, of determining the application of it to those quarters in which the demand for it may be most intense. This is the true source from which public and private credit in periods of emergency ought to be sought, and from which it will be obtained, more legitimate in its character and more effectual in its purpose, than that which is derived from an improper tampering with the circulation. Of this, recent circumstances have afforded a striking illustration."

The author then refers to the case of the agency of the bank of the United States, which was enabled to negotiate a large loan, in consequence of this modification of the usury laws, and proceeds thus:

"The inducement offered in the case to which we have alluded, was great; because it required a strong temptation to induce capitalists to direct their resources to that quarter, whilst the object to be gained was worth a high price. Had the same rate of interest been charged to a small dealer in a transaction of limited extent, we should have heard much of the harshness, extortion, and injustice perpetrated under a repeal of the usury laws. This example, however, as well as general reasoning, may teach us to recognise the policy, as well as the justice, of leaving every man free to judge of his own interests, and to decide for himself the price which it may be worth his while to pay for obtaining a certain advantage, or for protection against an apprehended danger. The unexampled firmness, with which the pressure under which the trading world is still suffering, has hitherto been supported, is probably attributable to a combination of causes; but there can be no doubt *that the free circulation of capital, resulting from the modified repeal of the laws by which it was restrained*, has materially contributed to this result. Happily in this case, as in most others in commercial affairs, where there is free competition, the interests of the community and that of the individual are never at variance."

ART. V.—THE OPIUM TRADE—ENGLAND AND CHINA.

THE belligerent attitude recently assumed by England towards China, has produced, and is still creating, consequences which must ere long end in the entire suspension, if not utter annihilation, of our valuable Chinese trade. In either case, the most ruinous results will fall heavily upon the interests of our wealthy and enterprising merchants, many of whom are largely engaged in it, and who are free from the slightest suspicion of having trafficked in the interdicted drug—a practice held in such abomination by the Chinese emperor.

As the opium traffic to China, from the time of its commencement until the enactment of the bloody drama lately produced by it in that country, has throughout combined to call into existence the measures by which our commerce is likely to suffer permanent and irreparable injury, its history, and the effect it has produced upon the inhabitants, and incidentally upon the government of China, must be known and appreciated, before the great causes which have influenced the emperor to adopt a strict, perhaps severe course of policy, for its suppression, can be fully understood.

It is now more than seventy years since, that Colonel Watson, then an officer in the service of the East India Company, first proposed to take advantage of the taste manifested by the Chinese for opium, by shipping it from British India to support the revenue of the company. No considerations of morality or religion were urged against this novel, and, to christian men, somewhat startling expedient, which was at once adopted by the council, and measures taken for carrying it into immediate effect.

Before this period, the amount consumed by the Chinese did not exceed two hundred chests annually. This was admitted by their emperor upon the payment of a slight duty, entirely on account of its medicinal qualities, and wholly ignorant of the baleful influences produced by it, when habitually used as a stimulant.

In 1767, the number of chests had increased to one thousand, at which annual rate it continued for several years after.

The East India Company were, during this period, in the full and profitable enjoyment of the trading monopoly of half the eastern world; and the cultivation of opium within their territory, and its importation, was insignificant, when compared with other vast interests, from which their revenue was derived. And this affords an explanation of the indifference manifested by them towards increasing this traffic, when the income derivable from it was so little necessary to their prosperity, and at the same time fully accounts for its immense increase, after their commercial and trading franchises were thrown open to all British subjects, and freely shared by individual competition.

In 1781, larger adventures were made in opium for the Chinese market, and immense profits were realized from its sale. As a natural consequence, the trade was continued upon a scale of increased magnitude, and during the same year, the Bengal government freighted an armed vessel with it, the proceeds of which were paid into the treasury of the company at Canton. Three years afterwards, another ship, containing a still greater quantity than any that had preceded it, was sent to China from British India, throughout the territories of which it was annually cultivated.

This extensive introduction of the drug among the Chinese, and the intemperate use which they made of it, gradually injured a great portion of them; and instances of its destroying the physical and intellectual energies, and finally the lives of its votaries, were alarmingly frequent.

To those unacquainted with the destructive consequences resulting from the continued use of opium, the recital would be sufficient to fill their imaginations with the most frightful images of human suffering. The habit, slowly yet surely, coils itself around the miserable victim, until he is chained in the half-clutched grasp of death; and when once he becomes enslaved by it, his doom is sealed, and no hope on earth is left for him. To resist the destroyer is beyond his strength; and we have the testimony of eminent medical men, men of experience too, that direful consequences, and even death, would often result from sudden and total abstinence.

Like alcohol, opium, in the mind of its new votary, creates bright and pleasing visions, although its effect is much more powerful. When taken by those whose constitutions and intellects are unimpaired, all objects appear clothed in a gorgeous and heavenly light. The most bright and glorious imaginings are conjured up by its influence, and their fancies are bound in the glittering spell of a mighty enchantress. But when it has brought upon the wretched victim disease of mind and constitution, the effect produced by the drug is fearfully changed. Instead of creating pleasurable sensations, the imagination clothes surrounding objects in all the frightful horrors of hell. Every gloomy thing which a distempered vision can create haunts the mind, peopling it with dreary and revolting imagery. Sleep no longer furnishes repose, for it brings with it the most unearthly and frightful dreams; and a state of mental misery, too dreadful to be borne, inflicts its daily and nightly curse. But the effects of the poison do not stop with intellectual destruction. While under its influence, the gestures of the victim are frightful; the eyes have an unnatural brilliancy, and the expression of his countenance is fearfully wild. The physical debility which results from the excitement is awful. The appetite is soon destroyed, every fibre in the body trembles, the nerves of the neck become affected, the muscles get rigid, the digestive organs are rapidly impaired, the frame becomes emaciated, the memory speedily fails, and he becomes prematurely old, until at length his very existence is a deep, a dreadful punishment; and after offering up to the revengeful god which his appetite has created, the powers of his intellect, the health and energies of his body, and the last gleam of his moral perceptions, death casts around him her dark shroud, and he is removed from the scene of his mortal sufferings.

The destructive effects we have described, in a short time after the increased introduction of opium into the Chinese empire, developed themselves among the inhabitants with alarming rapidity.

From a few isolated cases of disease, suffering, and death, the number swelled to thousands, until 1796, its baleful influences had become a national curse. Whole communities were infected by the poison, and health, happiness, fortune, and life, were cut off by the destroyer. The Emperor of China saw the rapid strides of the deadly agent, which he had suffered to enter his dominions while clothed in its original garb of a simple and useful medicine, and wondered that it could so soon have become transformed into the fell murderer of his subjects, and trembled as he looked upon the vast amount of human suffering and death which its votaries had already heaped around this altar of their mad idolatry. He saw them sacrifice to its worship, their families, their friends, their future hopes and joys; and traced to its demoralizing source, the powerful elements that would, unless annihilated, number the days of a dynasty whose years were told by tens of centuries.

Detesting the considerations that could urge an increase of revenue by permitting the longer introduction of a drug so deleterious in its consequences, the emperor created, and caused the promulgation of a law, by which, in 1796, its importation was wholly interdicted, and those found guilty of smoking it were pilloried and bambooed, and the venders and smugglers made liable to the severer penalties of banishment and death.

As no treaty existed with any foreign power by which its introduction into his dominions was guarantied or sanctioned, his right to interdict it was clear, absolute, and unlimited; and in prohibiting its traffic under the penalties we have mentioned, he committed no infringement of the commercial rights of other nations; and the subjects of Great Britain, although deeply interested in its continuance, were entirely destitute of the slightest foundation for complaint.

This law, although universally known by all foreign merchants, was openly disregarded, and opium, in defiance of its mandates, was still sold to the infatuated Chinese in increased quantities, and at higher prices than before. The supineness and utter inefficiency of the Canton authorities to enforce it, permitted its violation with impunity by the English, through whom nine tenths of the drug was introduced, while all attempts to punish the native vender were rendered abortive, by the refusal of the wretched consumer, even under torture, to divulge his name. In a short time, bribery and corruption were resorted to for the purpose of silencing the subordinate officers employed by the emperor, that the introduction of the drug might be continued with greater safety; and the destructive appetite engendered by its use, and the prohibitions existing against it having greatly advanced its price, the importation from British India continued to increase, and its dreadful influence upon the Chinese progressed with startling rapidity. Again and again, did the emperor of that nation send forth his stern and strict decrees against the deadly traffic; but they were unheeded by those upon whom it was showering the wealth of princes, and unheard by the wretched beings to whom the knell of its discontinuance would have sounded with more solemn dread than the warning voice of their own immediate destruction.

The East India Company, by whose merchants most of it had been imported, and throughout whose dominions its cultivation was rapidly increasing, at length became fearful that if they continued openly to deal in it, their other trade to China, which was of much greater importance, would be injured, and their servants were commanded not to import it in the ships of the company, under pain of being dismissed from their service.

If this prohibition had proceeded from the desire to cause a discontinuance of the iniquitous traffic in which they had been engaged, their motives would have been worthy of an enlightened, a humane, and christian age; but as the end will show, their object was widely different. Notwithstanding their refusal to employ their own vessels for its continuation, a monopoly was created, by which more than half the opium raised in British India was cultivated under their direction, and for their benefit, expressly for the Chinese market; which, after being sold in Calcutta to private individuals at an immense profit, was shipped to Canton, its original place of destination.

As the situation of England with reference to the opium traffic cannot be thoroughly understood, and the principles upon which she has acted, and will continue to act, in her relations with China, appreciated, without an acquaintance with the nature and extent of interest which her government and East Indian subjects possess in its continuance, it becomes necessary to bestow upon these a brief examination. Previous to the 10th of April, 1814, the East India Company enjoyed the rich monopoly of the entire eastern trade; and the extent and variety of their commercial transactions and interests, prevented them from paying much regard to the cultivation of opium within their territories, and as we have before remarked, furnished the entire cause of forbidding its transportation. Since that period the trade has been opened to all English subjects, and private competition soon triumphed over its unwieldy rivals. As the revenue derived from their commerce decreased, it became necessary to resort to some means by which the deficiency could be supplied, and as the officers of that company have never been remarkable for morality or conscientious scruples when their interests chanced to weigh in the opposite balance, the extended cultivation and sale of opium within their dominions, intended for the Chinese market, was determined upon. The regulations by which this has been accomplished, and the tyrannical means through which they have been enforced, are characteristic of the colonial policy which Great Britain has ever pursued, and which is productive of more horrors to the miserable men over whom it is exercised, than has ever fallen to the lot of those whom modern slavery openly and avowedly chains.

The extent of territory occupied by the poppy in India, and the amount of capital, and number of inhabitants, engaged in the preparation of opium, are much greater than in any other part of the world.

The provinces of Malwa, Benares, and Patna, furnish the principal quantity, and almost every chest of the drug exported from India bears one of their names.

Although the chiefs of the former province are subject to British control, yet its soil is not under the management of the company, but they derive no inconsiderable sum from the transit duties levied upon the opium raised within it, as it passes through their territory, on its way to Bombay or Calcutta, where it is sold, principally to British merchants. But in the latter provinces, the company have for many years exercised over the inhabitants an authority quite as despotic as that by which the serfs of Poland and Russia were ever ruled. The owners of the soil, who are called Ryots, are compelled annually to cultivate, for the company, a certain portion of their land for the production of opium. No one is suffered to cultivate it for his own benefit; and should he under take it without first entering into an agreement with the company at their fixed and arbitrary rate, his property is immediately seized by their officers, and he is compelled either to destroy his poppies, or to give ample security for the faithful delivery of the product.

Advances of money are made to him through their subordinate officers and servants, and if the Ryot refuses to accept the advance, it is thrown into his house; and should he attempt to abscond for the purpose of avoiding this unjust imposition, he is forcibly seized, the advance is tied up in his clothes, and he is thrust into his house and there confined, until, perceiving resistance useless, he submissively wears the chains which oppression in its worst form has thus thrown around him.

Immense tracts of land, the richest and most valuable of any in British India, which were formerly used for the cultivation of more useful and less deleterious plants, have, for several years past, been covered with poppies, produced by the system of tyranny we have described. Every successive year has marked their increased spread, and has brought with it and heaped upon the weak and unoffending natives additional wrongs and multiplied cruelties; and even the miserable pittance which the company advance to compensate them for their labor and the use of their soil, is more than three fourths absorbed in passing through the hands of corrupt and oppressive officers before reaching its legitimate owners. But the poor natives must not resist, or their fate is rendered still more wretched, and the few rights they are permitted to enjoy entirely wrested from them. The officers of the company, their legalized plunderers, are suffered to exercise unlicensed arbitrary powers. As the cultivation of the drug is *forced* upon them, they are suspected of concealing it for private sale and personal advantage; and the surveillance exercised over them, for the purpose of detection and punishment, is attended with hardships and the vilest oppression.

In order to extort bribes, all which they hold most dear is violated, and the privacy of their miserable abodes, and the sanctity of their females, must be purchased from the police and custom house searchers, at whatever sums their grasping avarice may induce them to demand. And all these manifold outrages upon the liberties of men—these barbarous impositions and cruelties—these palpable, repeated, and continued violations of morality, religion, and common justice, are perpetrated and sanctioned by the laws of enlightened England—that christian, slavery-hating nation, whose statesmen profess to look upon the institution of slavery in this country with indignation and holy horror, and who denounce its authors as the enemies of liberty, christianity, and freedom. Let them turn from us, and look upon the dark face of their vast Indian empire, and there mark the gloomy bondage of millions and tens of millions, chained to the cultivation of a drug, the consequences of which are misery, disease, and death; let them there examine the cruel mockery of a system of laws which, although nominally conferring freedom and the rights of acquiring and enjoying property, in reality fastens upon the victim a severe and lasting bondage—making him a miserable slave upon the soil which he is told to call his own; and then let them, if they dare, publish to the whole enlightened world the true features of American and British slavery, side by side, and let heaven judge between the horrors of each, and hurl retribution upon that nation which is most guilty, and for our own we should have no fear.

Great Britain cannot charge the responsibility of the enormities we have mentioned, upon her colonial government; nor has she ever been ignorant of their extent and cruelty. The whole subject of Indian revenue and commerce, was before the imperial parliament in 1832, and the cultivation of opium constituted its most prominent feature. A mass of evidence was spread before a committee of investigation appointed by the house of commons, in the course of which the iniquitous and wicked measures by which the company compelled the cultivation of opium, were fully and forcibly delineated; and the manner in which its traffic with the Chinese was carried on, developed and explained. But the revenue of India derived from it, and the immense amount of capital which was invested in it by British merchants engaged in the Chinese trade, triumphed over the considerations of morality, justice, and national honor; and in the report of the committee, received and sanctioned by both houses of parliament, it was declared inexpedient and improper to reduce the revenue of British India by annihilating the opium interest; and upon these grounds did England openly countenance, and in effect legalize, a traffic, which was annually destroying millions, and which was carried on in open violation of Chinese laws and international right;

and in doing this, she made herself responsible for all the direful consequences that have since resulted from it; and a part, perhaps but a small part of them, has been the execution by the Chinese authorities of thousands of their miserable people for smuggling the interdicted drug from the British ships; the destruction of property, health, and life, which it has caused throughout the Chinese Empire; the vast injury it has created to the trade of all nations whose vessels visit Canton; and finally, the recent insane and bloody career of Captain Elliot in the waters of that port.

Since this openly expressed determination by the parliament of Great Britain to continue its cultivation, the quantity of opium produced in India has rapidly increased, as will be seen by the following statement of the amount sold by the East India Company at Calcutta, from 1800 to 1837.

In the season ending—

		Chests.		Sicca Rupees.
1800	they sold	4,054	for	3,142,591
1810	"	4,561	"	8,070,955
1820	"	4,006	"	8,255,603
1830	"	8,778	"	11,255,767
1835	"	12,977	"	13,215,464
1837	"	16,916	"	25,395,300

The value of the Sicca Rupee varies, its lowest rate being about forty-six cents. Taking it at this valuation, the opium sold by the company in 1837 would amount to eleven millions six hundred and eighty one thousand eight hundred and thirty-eight dollars.

The actual costs to the company, of producing and selling it in Calcutta, is three millions eight hundred and ninety-three thousand nine hundred and forty-six dollars, leaving them a profit of seven millions seven hundred and eighty-seven thousand eight hundred and ninety-two dollars.

The table of sales which we have given, is taken from Mr. Montgomery Martin's useful and elaborate work, entitled "*Statistics of the Colonies of the British Empire*," and may be relied upon as perfectly accurate, while our information in respect to the profit derived from the drug is obtained from the official accounts of the company.

This vast sum forms a part of the revenue of Great Britain. The East India Company are the trustees of the crown, and as such, are accountable for its just and proper management. By an act of the British Parliament, all the real and personal property belonging to them, was, on the twenty-second day of April, 1834, vested in the crown, subject to all claims, debts, contracts, etc., then in existence, or which might be created by competent authority.

By this act, the functions of the company were made wholly political, and they were to continue the government of India, with the concurrence and under the supervision of the board of control, till the thirtieth of April, 1854, and all participation in commercial interests was taken away.

From this it will be seen, that since the twenty-second day of April, 1834, the government of Great Britain has been deeply interested in continuing the opium traffic. Its annihilation since that period, would have cut off a material source from whence her revenue is derived, and would have produced great embarrassment in the management of her Indian possessions. The measures taken for the purpose of increasing the cultivation of the drug, since its imperial proprietor succeeded to the enjoyment of its profitable returns, are conclusively evident of a determination to make this branch of the royal revenue as large as possible.

In 1835, as our statement shows, the number of boxes sold in Calcutta was twelve thousand nine hundred and seventy-seven, and the sum received for them amounted to six millions seventy-nine thousand one hundred and twelve dollars forty-four cents; while in 1837 the number of boxes had increased to sixteen thousand nine hundred and sixteen, and the amount for which they sold had advanced to the enormous sum of eleven millions six hundred and eighty one thousand eight hundred and thirty-eight dollars, almost one hundred per cent. in the short space of two years.

This immense increase in the cultivation and sale of the drug, under the express sanction and authority of the English government, has been produced solely and openly for the Chinese market—the ultimate destination of all the opium raised in British India; and in an article written by D. Butler, M. D., late opium examiner of the Benares agency, "On the preparation of Opium for the Chinese market," communicated to the Benares and Behar agencies, in 1835, and published in the Journal of the Asiatic society of Bengal, in March, 1836, the purpose for which the poppy is cultivated, and the drug prepared to such a vast extent, is plainly and unequivocally declared.

From this article, it appears that the Chinese value any sample of opium in direct proportion to the quantity of hot-drawn watery extract obtainable from it, and to the purity and strength of the flavor of that extract when smoked through a pipe; and the whole aim of the agencies is to prepare it so that it may retain as much as possible of its native sensible qualities, and its solubility in hot water. And it is on account of its superior qualities upon these points, that Benares opium brings a higher price in the Chinese market than that of Behar, Malwa, or Turkey, the last of which, however, is mostly consumed at home, although during some years two thousand boxes of it have been imported into China.

Our statement of the quantity of opium sold in Calcutta, does not embrace that produced in the Malwa district, the cultivation of which is not monopolized by the company, although, as we have before stated, they levy heavy transit duties upon it as it passes through their dominions to Bombay and Calcutta, where it is sold. And as this adds materially to the revenue of Great Britain, and yields rich profits to the English merchants, by whom the whole of it is purchased, the greatest exertions have been made to extend its cultivation within this district; with what success will be seen, from the fact, that in 1821, but two thousand two hundred and seventy-eight chests were produced, while in 1835, the number had swelled to twelve thousand nine hundred and thirty-three; but forty-four less than were raised in the provinces of both Benares and Patna, and in 1837 the amount had increased to nearly fifteen thousand.

In 1838, the East India Company, and through them the English government, derived a revenue of at least three millions of pounds from the cultivation of opium within the districts of Benares and Patna, and the duties levied upon that produced in Malwa, besides the vast sums which were made upon its sale in the Chinese market by British merchants, which has tended greatly towards enriching the commerce of the English nation, has served to create and keep the balance of trade with the east in her favor, and, what is of still greater importance, the glittering current of English gold and silver which formerly flowed into the Chinese empire is long since stayed; opium has taken its place, and for several years past has caused a torrent of the precious metals to rush in the opposite direction.

Indeed, viewing this subject apart from the great questions of religion and morals, happiness, and human life, and both England and China have important pecuniary interests staked upon the event, and one of them must suffer deep and lasting injury in the important national results likely to follow. Both of them cannot escape: the former must surrender that portion of her revenue derived from a system of smuggling approved and sanctioned by her government, or the latter, after being robbed of her money,—when the "sycee silver" shall have entirely "oozed" out, and her national wealth, the foundation of her strength, shall have departed,—will fall an easy unresisting prey to a rapacious and powerful adversary.

Having, as we believe, explained and defined the true foundation and source of nearly the entire opium traffic, and the golden considerations that have induced the English government to create its ten fold increase within the last few years, we will return to an examination of the policy pursued by the Emperor of China for its destruction, whose measures and decrees, owing to the incapacity or bribery of his officials, do not appear ever to have been rigorously enforced against foreigners until the appointment of the imperial commissioner Lin, in March, 1839. That they were not sternly and strictly executed was not the fault of the emperor. It is entirely chargeable to the lenity, corruption, and forbearance of his officers, and the lawless daring, rendered formidable by armed force, with which the drug has been smuggled into his dominions.

In 1816, the Hong merchants, who have always been compelled by the emperor to assume many heavy, and often unreasonable responsibilities, in the conduct and management of the Chinese trade, were, by an imperial decree, bound to ascertain and report any vessel engaged in its importation, that the reception of her cargo might be refused, and measures taken to drive her from the waters of China; and whenever a ship arrived in port, they were obliged to execute a bond that she had no opium on board. It is needless to say that these regulations were entirely ineffectual for the accomplishment of the object intended. The Hong merchants participated largely in the profits derived from the illegal traffic, and the reports made by them to the imperial court were falsely colored to advance their interests, and British merchants, who, if we were to credit the assertions of M. Jardine, made at a public dinner given him by the resident foreign merchants on the eve of his departure from Canton, "occupy a high place among the merchants of the East," and who are "not smugglers," did not hesitate to bribe the subordinate Chinese officials silently to permit the introduction of opium by paying from sixty to eighty dollars upon each chest. The consumers were increasing upon a scale of fearful rapidity, and those whose duty it was to execute the laws, were daily surrendering themselves victims to the alluring poison. The native venders of the drug were not slow to imitate the criminal baseness of the more enlightened and christian Englishman, by purchasing silence from the subordinate authorities at the expense of thirty, forty, and at times eighty dollars per chest.

Smuggling was openly carried on in Chinese boats built expressly for that purpose, and formidably manned and armed, and the mandarin boats, or those commissioned for the capture of smugglers, were seldom bold enough to attack their more powerful adversaries, who, even if greatly overmatched in numbers and strength, would never yield, preferring death by the sword, to strangling, which was their doom if taken.

Against such a powerful combination of circumstances, all tending to add to and perpetuate the traffic, the imperial decrees, with all the trembling fear and respect entertained for them by many of the Chinese, interposed but a feeble barrier, and every few months saw new ones promulgated, to be violated like those by which they had been preceded. In 1833, the amended law upon the subject was as follows:

"Let the buyers and smokers of opium be punished with one hundred blows, and condemned to wear the wooden collar for two months. Then let them declare the seller's name, that he may be seized and punished with death, and in default of his discovering the vender, let the smoker be again punished with one hundred blows, and three years banishment, as being an accomplice. Let mandarins and their dependents, who buy and smoke opium, be punished one degree more severely than others; and let governors of provinces be required to give security that there are no opium smokers under their jurisdiction, and let a joint memorial be sent in, representing the conduct of those officers who have connived at the practice."

That this law was sufficiently rigid and severe to prevent the introduction and use of opium, cannot be doubted; and that it failed to accomplish these ends, shows the laxity with which it was enforced, and the treachery, bribery, and cunning, by which it was evaded.

If rumors of this grand scheme of smuggling chanced to reach the ears of the emperor at Peking, new and severer edicts were thundered forth against it, which, upon reaching Canton, were calculated to effect nothing, except, perhaps, to cause the vessels engaged in it to move farther from the city until the excitement caused by their first appearance had subsided; or to produce a few hostile encounters between the mandarin boats and smugglers.

In this manner were the laws transgressed by the natives, while foreigners looked upon them with contempt, or treated them with open ridicule. Some instances occurred, in which the execution of their provisions were enforced; but the punishment had ever fallen upon the ignorant, degraded Chinese, instead of reaching the foreign merchants, who were enriched by the nefarious traffic at the expense of fortune, friends, happiness, and life.

The following statement, taken from a work entitled, "China: its state and prospects with especial reference to the spread of the Gospel," exhibits the consumption of opium in that country from 1825 to 1837; although from the extreme difficulty attendant upon ascertaining all that has been smuggled in at various avenues, we imagine that it does not embrace the entire amount introduced during that period.

	Chests.		Value in Dollars.
1825	9,621		7,608,205
1830	18,760		12,900,031
1832	23,670		15,338,160
1836	27,111		17,904,248
1837	34,000	about	23,000,000

The unexampled increase of this abominable traffic, in violation of Chinese laws and maritime regulations, and the seeming impossibility of effecting its destruction, combined with the financial policy of enlarging the national revenue by its continuance, in 1836, induced Hew Naetse, vice president of the sacrificial court, an officer of considerable dignity, to present a memorial to the emperor at Pekin, praying for the unlimited introduction of the drug into the empire on payment of a duty.

The reasons by which he enforces this recommendation, although termed "sage expositions" by a writer in a late number of Blackwood's Magazine, have impressed us with a very different estimate of their moral or political value. Take, for example, the following, in which the waste of human life is considered, by this high officer, of slight importance, when compared with the loss of revenue and Chinese silver, which he contends the free importation of opium would obviate.

"It will be found on examination, that the smokers of opium are idle lazy vagrants, having no useful purpose before them, and are unworthy of regard or even of contempt. And though there are smokers to be found who have overstepped the threshold of age, yet they do not attain to the long life of other men; but new births are daily increasing the population of the empire, and there is no cause to apprehend a diminution therein."

Again; after advancing the strange proposition, that the more severe the penalties are that exist against the traffic, the more bribery and corruption would be resorted to for the purpose of evading them, and the more frequent and palpable violations of the law would be perpetrated; and that, for these reasons, all prohibitory enactments should at once be removed, he proceeds to state, that, "With regard to officers civil and military, and to the scholars and common soldiers, none of these must be permitted to contract a practice so bad, or to walk in a path which will lead only to the utter waste of their time, and destruction of their property;" and he recommends, "that it be enacted, that any officer, scholar, or soldier, found guilty of secretly smoking opium, shall be immediately dismissed from public employ, without being made liable to any other penalty."

And farther:—

"Besides, the removal of the prohibitions refers only to the vulgar and common people, those who have no official duties to perform. So long as the officers of government, the scholars, and the military, are not included, I see no detriment to the dignity of government; and by allowing the importation and change of the drug for other commodities, more than ten millions of money will annually be prevented from flowing out of the central land."

These "sage expositions" furnish their own comment, which renders it unnecessary for us to say one word as to their irreligious and demoralizing tendency. The important document in which they are contained, was ordered by the emperor to be submitted to the Hong merchants, and Tang, the governor of Canton. The principles embodied in the report made by them, and transmitted to the imperial court at Pekin, did not materially vary from those contained in the memorial of Hew Naetse, and in accordance with his views, they advised the legalization of the traffic, upon payment of fixed duties.

In the autumn of 1836, Choo Tsun, member of the council and the board of rites, and Hew Ken, sub-censor over the military department, fellow-ministers of Hew Naetse, presented counter-memorials, in which the deleterious effects of opium are forcibly presented, and the destructive consequences that its habitual use was inflicting upon the Chinese eloquently described. They reasoned strongly against revoking the existing prohibitions, and maintained that it would be wholly insufficient to prevent the export of silver, while the enervation and corruption of the Chinese would be fearfully increased, if all restraints imposed upon the use of the drug were removed; and concluded by advising the prompt adoption of vigorous and energetic measures, for the annihilation of the entire opium trade.

Refusing to increase his revenue at the expense of the happiness and lives of his subjects, the emperor determined upon the extermination of the traffic at any sacrifice; and the immediate result of the memorials we have mentioned, was a special edict, by which he commanded certain foreign merchants engaged in it to leave Canton. This was partially evaded, and the traffic continued throughout the year 1837, and until the summer of 1838, the dealers paying to the subordinate local authorities seventy-five dollars per chest for conniving and assisting in these wholesale smuggling operations.

But the miserable and deluded Chinese did not so easily escape the penalty of outraged laws. Many of them were taken, condemned, and executed; and those engaged in smuggling the drug, were hunted down and killed by the mandarins and their soldiers. Fierce encounters were continually occurring, and the blood of the poor natives was poured out to the last drop, in carrying on a traffic that was conferring upon guilty foreign merchants, who were the sole instigators, the wealth of princes.

The emperor at length saw that its abolishment was impossible while foreigners were suffered openly to bring the drug into the port of Canton, and the neighboring waters, and he formed the determination of coercing them, if necessary, into obedience of his laws. For this purpose, Lin was appointed high commissioner from the court of Pekin, to proceed to Canton, where he arrived on the tenth of March, 1839.

He was invested with plenipotentiary powers, and was authorized to create and execute such measures as he should deem necessary and right. Born and educated in one of the maritime provinces, and having had an early acquaintance (as he says) with all the arts of foreigners, he was well qualified to discharge the arduous duties of his trust. He is described as about fifty-five years of age, of middling height, rather stout, and of stern demeanor It is said that he received from the emperor in person the seal of his high commission, and that the monarch recounted to him the evils that had long afflicted his children, and, adverting to the future, paused and wept, and turning to the commissioner, said, "how, alas, can I die until these direful evils are removed ?"

Having made his entrance into Canton, eight days were occupied by Lin in making inquiries; and on the nineteenth of March, two special edicts were issued, one to the foreigners of all nations, and the other to the Hong merchants, both of which caused great consternation and excitement. The foreign merchants were required to deliver up to the Chinese government all the opium which they possessed on board their store ships, and strict commands were issued that "not the smallest atom must be concealed or witheld." They were also required to give a bond, written jointly in the foreign and Chinese languages, that their vessels which should resort to Canton would never again dare to bring opium; and that if any was brought it should be forfeited to the government, and all the parties should suffer the extreme penalties of the law, and that such punishment should be willingly submitted to. Promises of rewards, and the continuance of prosperous trade, were made to such foreigners as would at once comply with these requisitions, and threats of punishment, according to the severe terms of the law, were thundered against those who refused to deliver the hated drug, and three days were allowed them to determine upon the course they should think fit to pursue.

These were the terms upon which past transgressions were to be forgiven and forgotten, and by which men who had in a thousand instances violated laws, the penalty of which was death, were to be pardoned and their numerous offences blotted out. What would have been the punishment which the laws of Great Britain would have inflicted upon the offenders under such circumstances? Suppose a gang of American smugglers, or merchants, to preserve the analogy, had been for years engaged in smuggling goods into the Liverpool market, in open defiance of English laws. Would the delivery of the interdicted articles, and a bond to "go and sin no more," save the offenders from the punishment they had so criminally provoked? Look at the statistics of crime in England, and its punishment, and the records of centuries contain the answer.

The edict issued by the high commissioner to the Hong merchants, enumerated the many instances in which they had been guilty of conniving at the introduction of opium, and threatened one or two of their number with instant death, unless they earnestly and faithfully endeavored to procure its delivery, and prevent its importation.

A third edict immediately followed, by which all foreign residents were forbidden to leave Canton; and the factories were surrounded by armed men, to enforce its obedience. The running of passage boats between Canton and Whampoa was suspended, and all communication between the two places was closed. On the twenty-first of March, the general chamber of commerce was convened, for the purpose of considering upon the expediency of complying with the demand of the high commissioner; and after a protracted and animated discussion, a committee was appointed to report upon the subject, and a communication was transmitted to the Hong merchants, stating that the delivery of the opium was of such vital importance, and involved such complicated interests, that no answer could be given until time should elapse for reflection and deliberation.

This was immediately laid before the imperial commissioner, who was dissatisfied with its import; and the Hong merchants returned from Canton to the foreign factories, and, at their request, a special meeting of the chamber was called, at which they expressed their apprehensions, that unless some opium should at once be delivered, one or two of their number would be beheaded in the morning; and it was finally agreed that one thousand and thirty-seven chests should be surrendered to the government to be destroyed. The reception of this contemptible amount was promptly rejected by the commissioner, and demands for an additional quantity were made.

The report of these energetic and unexpected proceedings having reached Macao, Captain Charles Elliott, chief superintendent of the trade of British subjects in China, immediately published a notice, requiring all English vessels to proceed forthwith to Hongkong, hoist their national colors, and place themselves in a posture of defence.

As no demonstrations of violence had been exhibited towards foreigners at Canton, except such forcible measures as were absolutely necessary to compel the delivery of the interdicted drug, and which the imperial commissioner was bound by every principle of national justice, and by the solemn official oath he had taken, to enforce; and as not the slightest indications existed, by which Captain Elliott could have apprehended an attack at sea, his notice was entirely unnecessary and unwarranted, and was calculated to excite the greatest confusion and alarm, without the least foundation.

But in issuing this, he had not consummated his egregious folly and blustering cowardice; for on the following day, the twenty-third of March, a second notice was published, in which he declared his entire want of confidence in the justice and moderation of the Chinese government; expressed his opinion that it had committed what, according to the genius of enlightened nations and the principles of reason, was, if not an act of declared war, at least its immediate and inevitable preliminary; declared it impossible to maintain continued peaceful intercourse with safety, honor, or advantage, till definite and satisfactory explanations had passed; avowed his intention to demand from the Chinese government passports for all British subjects within ten days; stated that the Portuguese authorities at Macao had pledged themselves to afford English subjects, resident there, every protection in their power; and wound up his genuine John Bull tirade, by declaring that should the passports be refused for more than three days from the time his application for them should reach the Chinese government, he should be driven to the conclusion that it was its intention to detain all British subjects as hostages, and to endeavor to intimidate them into unsuitable concessions and terms by the restraints of their persons, or by violence upon their lives or property, or by the death of native merchants in immediate connexion with them both by ties of friendship and interest.

To this mad proclamation he attached a sort of codicil, kindly offering the benefit of his bombastic observations to all the foreigners in China.

Immediately after its publication, this sapient and most dignified commercial representative of her majesty jumped into his cutter, and started for Canton, where he arrived the next day about sunset, when the same measures were adopted by the Chinese authorities for his detention, as were enforced in respect to other foreigners.

On the twenty-sixth of March, a proclamation was issued by the imperial commissioner, "desiring foreigners to deliver up their opium under four heads, or for four reasons;" all of which partook more of christian forbearance and official lenity, than the warlike preparations of Captain Elliott would have led us to hope.

The first was, that "they ought to make haste and deliver it, by virtue of that reason which heaven hath implanted in all of us."

The second, that "they ought to deliver it, in compliance with the laws of the land."

Thirdly, that "they ought to make immediate delivery of the opium, by reason of their feelings as men."

And, fourthly, that "they should give it up, by reason of the necessity of the case."

These were each supported by elaborate and sound arguments, which would do honor to the statesmen of more enlightened nations; and in conclusion, the high commissioner remarked, that "he, and the governor and lieutenant governor cannot bear the idea of being unnecessarily harsh and severe; and therefore it is that his mouth is wearied as it were entreating and exhorting." And he promised the foreign merchants, that having once made the delivery of it, their trade should go on more flourishing and abundantly than ever, and that tokens of regard should be heaped upon them to overflowing.

When this document reached Captain Elliot, his war excitement had nearly subsided, and a determination to retreat from his disagreeable position had assumed its place.

Accordingly, on the morning of the twenty-seventh of March, he issued a public notice to British subjects, in which he says:

"Now I, the said chief superintendent, thus constrained by paramount motives affecting the safety of the lives and liberty of all the foreigners here present in Canton, and by other very weighty causes, do hereby, in the name and on the behalf of her majesty's government, enjoin and require all her majesty's subjects now present in Canton, forthwith to make a surrender to me, for the service of her said majesty's government, to be delivered over to the government of China, of all the opium under their respective control, and to hold the British ships and vessels engaged in the trade of opium, subject to my immediate direction, and to forward me without delay a sealed list of all the British owned opium in their respective possession. And I, the said chief superintendent, do now, in the most full and unreserved manner, hold myself responsible for and on behalf of her Britannic majesty's government, to all and each of her majesty's subjects surrendering the British owned opium into my hands to be delivered over to the Chinese government."

This requisition was promptly answered by the delivery of twenty thousand two hundred and eighty-three chests, worth, at cost prices, ten or eleven millions of dollars.

On the fourth of May, most of the opium having been delivered, an edict was issued, by which all foreigners, with the exception of sixteen who had been the most deeply engaged in the interdicted traffic, were set at liberty, and the trade re-opened under certain restrictions.

This surrender of the drug was made by Captain Elliott for and in the name of the British government, as he himself expressly asserts. It was entirely voluntary, and even supposing that the Chinese had no right to demand it, we are at a loss to conceive upon what principle of international law the English crown could recover it back. It is true that her merchants were detained until it was given up, and had it been wrongfully wrested from *them*, Great Britain would be bound to require restitution. But it was sold and delivered to their own government, and then quietly and unresistingly surrendered to the Chinese authorities, without so much as the entry of a protest against the measure.

By this act, and the guarantee by which England, through her authorized agent, has agreed to pay for the drug, her unqualified acknowledgment to the whole world is recorded, that she as a nation has been guilty of a participation in the opium traffic, and has taken the settlement of the entire question into her own hands. That the Chinese were perfectly right in demanding it, cannot be doubted, for by their own laws, supported by every known principle of international right, and common justice, it was forfeited the moment it entered their waters, and they would have been justified in seizing it, and in punishing those who imported it with the severest penalties attached to the offence.

And there can be no doubt but the detention of Captain Elliott was in strict accordance with the laws of nations, and that the circumstances more than justified it. He was the superintendent of British trade in China, and one of his highest and most sacred duties as an officer was to cause those under his control to respect and obey the laws of that nation. And how was this obligation on his part performed? He well knew that the introduction of opium was illegal, and that he was bound to prevent its importation by British merchants; and yet he suffered—nay, encouraged and openly sanctioned it, and by so doing made his own government responsible for its continuance, and compelled Great Britain, as an honorable and enlightened power, either to recall him, and disavow his acts, or to bear the consequences of the continued outrages committed against the acknowledged rights of an independent state.

His official character did not exempt him from amenability to Chinese laws. He was a commercial agent, with a commission to watch over the commercial rights and privileges of his nation, and was not such a public minister, as to be entitled to the privileges appertaining to that character, nor was he entitled to the special protection of the law of nations in any greater degree than a consul, whose powers, duties, and liabilities, his much resembled.

In all civil and criminal cases, he was subject to the laws of China, while within its jurisdiction, and could not, like an ambassador or other public diplomatic minister, claim an exemption from them on account of the commission with which he was invested.

The right, then, of the Chinese to detain him, even on *suspicion* of his encouraging or countenancing the opium trade, was perfectly clear; and when the ground upon which he was imprisoned amounted to a certainty that he was, by his official influence, aiding and promoting it through British merchants, by whom more than nine tenths of it was carried on, will it for one moment be contended that the high commissioner was not perfectly justified in the measures he adopted.

For the purpose of engaging in the trade as opened on the fourth of May, it became necessary to execute a bond, that any ships trading to Canton, after the autumn of 1839, which, upon examination, should be found to have opium on board, should, together with the cargo, be confiscated, and the parties left to suffer death by the laws of China. A readiness to comply with this requirement was immediately expressed by Mr. Snow, the consul for the United States, and Van Basel, the Dutch consul, and they advised the merchants of their respective countries to sign the bond, and renew the suspended trade.

But the solemn mockery of justice, and the gross violation of the national rights of China, of which Captain Elliott had been so long and criminally guilty, had not ended. He had regained his liberty by disgracing his nation throughout the enlightened world; and all apprehensions of personal violence, which had so recently tamed him into submission, were removed, and no sooner did he perceive a disposition on the part of

British merchants to give the required bond, than he promulgated a public notice, declaring that it was dangerous to confide to the Chinese government the administration of any judicial process concerning foreigners, and that the proposed investigation by the authorities of China, as to whether foreign vessels were engaged in the opium traffic or not, would lead to excessive risk of their committing acts of juridical spoliation and murder.

We believe this to be the boldest act of unwarranted insolence ever perpetrated by any public officer of a foreign state, against the dignity of a sovereign and independent power; and not only did it show a determination to insult the Chinese emperor and nation, but it betrayed the most abject ignorance of the foundation and principles of national jurisprudence, and the universal law of nations.

By what mode, we would ask Captain Elliot; was it to be ascertained that a ship had opium on board, unless the authorized officers of the Chinese government were permitted to conduct the investigation, and by what laws were the offenders to be punished unless by those of China? Were they to be sent to England, and there tried? With just the same show of propriety and justice could the government of this country demand, that any of our citizens taken in the act of smuggling goods into Great Britain, should be transported here for that purpose.

The offence is only against the laws of the nation in which it is committed; and a merchant of the United States or England, who has been engaged in Canton as a smuggler of opium for half his life, has been guilty of no infraction of the laws of his native land, or of international right.

Nor could the execution of the bond vary in the least degree the liability of the offenders to be punished if found guilty, or strengthen the right of the Chinese authorities to search the vessels of all foreigners within their waters for a discovery of the interdicted drug, and to visit upon transgressors the full penalty of the laws they had outraged. The maritime regulations of the emperor, were as broad and severe as the terms and import of the required bond; and the only object in demanding it must have been to prevent a recurrence of the old excuse, that "the foreign merchants were ignorant of the existence of any prohibitions against the opium traffic, and of the penalties to which those engaged in it were liable."

Subsequent notices by Captain Elliott soon followed, in which he expressed himself to be entirely without confidence in the justice or moderation of the Chinese government, declared that it had refused to fulfil the most solemn obligations, and used language so entirely devoid of courtesy, respect, or even decency, that should its like character be employed against our government by the British minister at Washington, his sovereign would be bound to recall him; and upon a continued neglect to do this, it would then become the imperative and sacred duty of our executive, for the preservation of national dignity, to order him to leave the country, for a breach of his privileges in insulting the power to which he had been sent as an ambassador.

On the 4th of June, a special proclamation was issued, by order of the high commissioner, stating that all the opium had been surrendered, and that foreign ships were at liberty to engage in honorable traffic; and strongly invited all of them to embrace the opportunity, and not be deterred from it by the representations and advice of the British superintendent. But the latter had expressly enjoined the subjects of Great Britain against executing the preliminary bond, and had required all British shipping to anchor off Macao, and not to enter the port of Canton. The British merchants resident at the latter place, were recommended to leave under his direction; and on the 23d of June, with two or three exceptions, none but Americans resided in Canton; and since the opening of the trade, none but American ships had entered the port, and these, consisting of ten or eleven in number, had, according to the *Chinese Repository*, found no difficulty in carrying on their trade as formerly. All of the English merchants had gone to Macao, which is occupied and defended by the Portuguese; and after remaining there a short time, had embarked on board their vessels, with their property and valuables.

On the 31st of August, the imperial-commissioner issued a proclamation, setting forth that Lin Weihe, one of the people of the empire, had been murdered by British sailors, and the refusal of Captain Elliott to deliver up the murderer; and commanded the Chinese local officers, civil and military, to cut off from the English all supplies of water and provisions from the coast.

In consequence of these measures, which the right of the Chinese government to create cannot be questioned, Captain H. Smith, commander of her majesty's armed ship Volage, on the 11th of September, issued an official public notice, that it was his intention, at the requisition of Captain Elliott, to establish a blockade of the river and port of Canton, and that notice of the blockade would be subsequently promulgated.

This, although its establishment would have been clearly illegal, so much so that the vessels of any nation would have been fully justified in disregarding it, was never actually declared. The responsibility was too great even for the chief superintendent to assume, who, we presume, searched in vain, as we have since done, to find any precedent to sustain a blockade, on the ground of a refusal by the blockaded party to furnish provisions to the subjects of a foreign power.

The American merchants having monopolized the entire trade to Canton, from which they were deriving enormous profits; it excited the jealousy of the English, who earnestly requested Captain Elliott to enter into some arrangement with the Chinese government, by which they could resume their commercial operations. To this he assented, and upon representing to the high commissioner that the strictest search should be made for the murderer of Lin Weihe, and that when found he should be immediately delivered up to the Chinese authorities for punishment, and declaring that until he could receive instructions from his sovereign, previous to which the space of four months must intervene, the required bond could not be given, an agreement for the resumption of trade was entered into, which was to the following effect:

"*Macao, October 20th*, 1839.

"It has been agreed between their excellencies the high commissioner and governor on the one side, and the chief superintendent of the trade of British subjects on the other, that, under existing circumstances:

"1. The British trade may be carried on outside the Bucca Tigris, without any necessity of signing the bond of consent to Chinese legislation, (to be handed to Chinese officers,) upon the condition that the ships be subjected to examination.

"2. That the place of resort shall be the anchorage between Armughoy and Chumpee.

"3. It is fully understood, that the vessels, while discharging their cargoes outside the Bogue, shall pay the measurement charge in the same manner as if they went up to Whampoa. The pilots' charges shall also be paid as usual. The linguist shall be paid in like manner.

"4. The vessels proceeding to Armughoy will transport their cargoes by means of *chop* boats, and will undergo search by the officers."

This agreement was hardly signed, before it was impliedly cancelled by the entry of the Thomas Coutts, a British merchant ship, into the river, and her subsequent arrival at Whampoa, after having voluntarily signed the required bond, which Captain Elliott had informed the high commissioner could not be done until after the instructions of his sovereign had been received, and which statement had formed the basis of the agreement between them. Under these circumstances, the high commissioner believing, as he had every reason to, that he had been grossly deceived by the chief superintendent, and having ascertained that the latter had under his protection at Macao a large quantity of opium recently arrived, the delivery of which had been demanded and refused, and it being notorious that the interdicted traffic was carried on along the whole coast by British vessels, numbering at least twenty, and that the drug was selling from 1,000 to 1,600 dollars per chest, a special edict was issued on the twenty-sixth of October, demanding the murderer of Lin Weihe, and commanding all British vessels to give the required bond, as had been done by the Thomas Coutts, or to depart from the coast within three days, under pain of being punished in conformity with the laws of China.

Captain Elliott immediately issued a notice, requiring all English merchant ships at Macao to weigh anchor and proceed to Tungkoo Bay; and determining upon wreaking revenge upon the Chinese for his fancied injuries, he went on board the ship of war Volage, and with the armed ship Hyacinth in company, proceeded to Chumpee, under pretence of delivering a *chop* to the commissioner. Upon arriving there, the officer commanding the Chinese war junks was surprised and alarmed; and as the most strict prohibitions existed against suffering British vessels, and particularly armed ones, to enter or remain there, he ordered his fleet to approach, for the purpose of ascertaining their object. Captain Elliott commanded them to keep off; and on their nearer approach, although without manifesting the slightest demonstration of an attack upon him, he ordered his ships to open their fire, which was done with such deadly effect, that in less than half an hour five out of twenty-seven junks were sunk, one was blown up, and about five hundred, and, as is stated in some reports, nearly nine hundred, of the Chinese were killed, or rather murdered.

The only injury sustained by the English, in consequence of the fire from the junks, by which the Chinese endeavored to defend themselves and effect a retreat, was, according to the Bombay Courier of December 24, only a twelve pound shot in the mizzen-mast of the Hyacinth, although some accounts state that a few were killed and wounded.

Here, then, we have the bloody consummation of Captain Elliott's official career. One act in this great national drama is concluded, but we fear it is not the last.

A wholesale murder of weak and almost unresisting Chinese, has been perpetrated in their own waters, and within the exclusive jurisdiction of their maritime laws, by the armed ships of a foreign power, with whom peaceful relations had been maintained for a period of two hundred years. It was committed, too, under the most unjustifiable and aggravating circumstances, and at a place where British ships of war had no right to enter, and from whence the whole commerce of England had been lawfully shut out. And that Captain Elliott should have been the first to commence the fire, does not more strongly show his utter want of provocation to this deed of bloodshed, than that he was determined upon its perpetration. Before embarking upon his murderous project, the decree expelling him and the vessels of his nation from the waters of China, had been received, and he had taken the precaution to have all British merchantmen remove beyond the power of the Chinese war junks, and then, with an avenue for safe retreat widely thrown open, and with nothing to embarrass his flight, he proceeded to the deliberate perpetration of an act, which did not more deeply violate and outrage the dearest rights of China and her subjects, than the universal law of nations, and of heaven itself.

And yet, in the broad face of the facts we have enumerated, England dares to think of restitution, and threatens to compel it at the cannon's mouth. But what is the restitution she requires ? and upon what ground is it demanded ? The answer is plain. Her merchants are clamorous for payment of the opium delivered to Captain Elliott, and her government cannot honorably refuse to accept his official drafts in their favor, particularly after openly sanctioning the traffic ; and determined not to lose what she is powerful enough to wrest from weak and oft-wronged China, the thunders of war are to be opened.

But this is not all. She is resolved not to relinquish the opium trade, and probably will not hesitate to enforce its continuance at the point of the sword. Its destruction would cut off three millions of pounds sterling from her revenue, which even now has been deficient more than three millions of pounds in meeting the expenditures for the last two years.

Already has a powerful armed fleet been despatched for the coast of China, consisting of three ships of the line, a number of frigates, besides several smaller vessels, with nearly fifteen thousand men on board ; and should they openly commence hostilities against the Chinese, the rapid strides with which the power of Great Britain has advanced in India, furnishes the history of its termination in that empire ; and the exclusive commercial privileges enjoyed by her subjects in Bombay and Calcutta, show how soon the ships of other nations would be shut out from the port of Canton.

The merchants of this country are seriously affected by the great question here presented, and the protecting mantle of national strength should be thrown around their interests in the eastern world. The government of the United States is bound by the most sacred obligations to the performance of this high duty, and cannot shrink from it, without the sacrifice of individual wealth, and the forfeiture of national honor; and should Great Britain invade the Chinese empire, blockade its ports, and expel from its waters the commerce of other lands, the whole enlightened and christian world ought solemnly to protest against it, as an unwarranted act of arbitrary power, committed in violation of the broad principles of eternal justice.

Art. VI.—MERCANTILE BIOGRAPHY.

In presenting to our readers the present paper, embracing biographical notices of merchants who have been eminently distinguished for the energy manifested in the pursuit of their various vocations—from the most humble beginnings to the proudest results of human industry—for their public and private virtues, and the influence which they have exerted on the domestic, moral, political, and intellectual condition of mankind, we would offer a few prefatory remarks.

It has been said, and with truth, that neither the past or present age has presented a single life from which, if a faithful narrative were written, some valuable information might not be drawn. If such an assertion be tenable, when applied to the recorded actions in the great mass of society, charged with its follies and crimes, how much more forcibly must it apply to the biography, which *selects* and holds up as mirrors to the world those only whose wisdom and virtue are calculated to make a lasting and beneficial impression; which, while it consecrates the ashes of the dead, rescues from the destructive influence of time all that is worthy of remembrance—presents us with the living characteristics of the man as he stood before a scrutinizing earthly tribunal—enables us to follow him from the dawn of intellect to the termination of an active, well-spent life—to see him triumphing over every obstacle which poverty or misfortune presented to his indomitable mental and physical energies—and finally, to appropriate to ourselves the results of an experience thus presented. In reference to *American* merchants, we intend that the "biographical notices" shall furnish a supplement to the future history of our country, in which those finer shades of character, most interesting to the community, which are lost in the wide survey and generalizing spirit of the historian, shall be faithfully and accurately delineated.

As the second commercial country on the globe—with ships navigating every sea and bartering with every nation—our merchants necessarily fill an important station in the world's eye; on their honor, integrity, and energy, depend our national character abroad, and our internal condition at home. A fertile and extensive territory may form the *basis* of our wealth; but commerce is to its productions what machinery is to the raw material—it fashions, shapes, and sends forth.

It is an historical fact, that Napoleon, when his imperial flag waved over thirty millions of people, derisively designated England as the "nation of shopkeepers." Time, however, with its train of events, taught him to see, in his sad reverses of fortune, when stript of his glories—exiled to a solitary rock in the Atlantic—deserted by his followers—a monument of fallen grandeur and defeated ambition—that to the pecuniary sacrifices and the devoted patriotism of the "shopkeepers" he was indebted for that unyielding opposition to his sway by which Britain was distinguished, when, by his celebrated decrees and embargoes, he had closed the ports of Europe against her shipping; when monarchs were his puppets, thrones his footballs, and subjugated nations the outposts of his military camp. If such were the national consequences attendant on the mercantile character and resources of England, what importance must ultimately attach to them in a country like our own, the shores of which embrace two oceans—the commerce of which already competes with its great rival, in every quarter of the globe—whose extensive lakes are whitened with the sails of inland navigation, and whose rail-roads form a chain of internal communication which unites the most distant sections of an active population—levelling mountains, extending over rivers, and setting distance and time at defiance?

Taking leave of the influence which the mercantile character exerts upon our external relations, we will now briefly advert to its effect on our physical, moral, and intellectual conditions.

To our merchants we are chiefly indebted for the temples of religion, the halls of benevolence, the marts of commerce, and the noble literary institutions which adorn and distinguish our cities. Among the latter institutions, we might place the "Athenæum at Boston," the "Institution for the Blind," the "United States Bank and Girard College in Philadelphia," the "Exchange at Baltimore," the "Astor House," and last, though not least, the "Mercantile Library," the proud boast of our city. Never has a nobler monument been erected to departed worth, than this *twenty-thousand* volumed association, with her lectures and her great moral influences, offers to the memory of her mercantile founders, whose names are engraven in indelible characters on her portals, and are consecrated in her prosperity.

New York may safely challenge the world to produce an institution of a similar character, so important in its consequences to a rising and energetic community.

In the midst of the fluctuations of commerce, and the energies necessarily devoted to its steady advancement, it will be seen, that the merchant has not been undistinguished among the moral and religious benefactors of mankind, or unmindful of the injunction left by the mild Founder of Christianity to his followers—"Go ye forth unto all nations, and preach unto them the gospel of truth." We owe to the benevolence of our mercantile community a great portion of the means raised to support missionaries among the aborigines, while some of its members, unaided, have sent forth the bearers of the gospel mission to the most distant nations of the earth.

The mental and physical endurance which has distinguished the mercantile character, particularly in our own country, is not one of its least extraordinary features; many of its possessors, who now rest from their labors, rose from extreme obscurity—saw their hopes and expectations blasted again and again—yet rising with renewed vigor from every stroke of fortune, eventually succeeded in acquiring an affluent independence;—the just reward of their unabated perseverance.

Nor should the untarnished honor and integrity of the merchant, unhappily exemplified in the ruinous commercial change to which he has been subjected for several past years, pass unnoticed; many, it is too painfully true, have been compelled to sink in the struggle, but, like the wife of Cæsar, have preserved a purity of character untainted even by suspicion.

In devoting a portion of the Magazine to Mercantile Biography, we are influenced by a desire to exhibit the strong points of character which have distinguished the patriarchs of commerce, as furnishing examples to the young merchant of the present and future times, and as a stimulus to the attainment of the enviable distinction which they have acquired.

The sources from which the following notices have been selected are various, and, generally, more contracted than we could have desired. In the future numbers we shall enter more into detail, as examples are furnished, which we respectfully solicit from those who may have it in their power to aid us in this department. The first name which we present to our readers, at this time, is that of

GEORGE CABOT,

a distinguished merchant and statesman, born in Salem, Massachusetts, in 1752. He was educated as a merchant, and for several years visited foreign countries as a factor for his father, who was an enterprising and opulent ship owner. He was considered a young man of talent, and soon after commencing business, he was elected a member of the Massachusetts Provincial Congress—of which General Warren was president. The good people of Massachusetts, wishing to alleviate the distresses of the times, proceeded to consider the propriety of fixing a maximum price upon foreign goods. This he opposed with such strength of reasoning, as to prevent any restriction upon commerce.

During the war, he was an active merchant—he, with his brother, having at one period of the contest, twenty privateers of a large class, carrying from sixteen to twenty guns each. These vessels were very successful for four or five years; but the British, towards the close of the war, having lost more than one thousand seven hundred merchantmen, grew wiser, and fitted out a large number of frigates and gun brigs, that were superior in force to most of our privateers, and a great portion of them were taken. The Cabots were severe sufferers, losing nearly all their armed ships before the war closed.

When peace was restored to the country, Mr. Cabot was active in bringing the people to see the necessity of forming a sound and permanent general government. With others, he used the public press to enlighten the country upon the great doctrines of civil and political liberty.

He was active in establishing a state constitution for Massachusetts, and afterwards, in 1788, was a member of the convention for adopting a constitution for the United States. Soon after the constitution went into operation, he was chosen by the legislature of Massachusetts as a senator in congress. In 1798 he was appointed, by John Adams, Secretary of the Navy, but he declined the appointment; yet he took an active part in assisting the government to build and equip a navy. Liberal loans were subscribed by the merchants in every part of the country, and Mr. Cabot was among the foremost. The government, fired at the insults and indignities offered our commerce by France, were so active in building ships of war, that a few months were sufficient to take the timber from the forests to construct a sloop of war, and in a few more days to get her ready for sea.

A respectable force was soon on the ocean, and earned laurels whereever they met the enemy.

During these dark hours of our history, when Hamilton and Ames were full of apprehension for our destinies, Mr. Cabot was laboring with them in opening the eyes of the people, blinded by party feuds. It is said that Ames, always flowing, and sometimes too redundant, consulted Mr. Cabot in regard to his publications, and frequently submitted to his judgment when they differed in opinion.

For many years of the latter part of his life, Mr. Cabot resided in Boston, where he was held in the highest estimation. If there was a matter of mercantile usage to be settled, he was consulted;—if there was a misunderstanding between merchants, he was made arbitrator; aye, even if there were an affair of honor to be settled, his opinion was law. In 1815, he was elected from Suffolk county as a member of the Hartford Convention, and was made president of that body. Where he was, every one was satisfied that all would be done with decency and correctness, both in manner and principle. He was brave, and discreet as brave. His ambitious days, if ever he had any, were over, and prudence and judgment were, at the time of the Hartford Convention, his great characteristics. The person of Mr. Cabot was of the finest cast. He was tall and well proportioned. His head was a model for the sculptor. There was a classical expression of the countenance, that made him the object of observation to every stranger. His movements were dignified, and his voice sonorous and commanding. Looking at him, you would say, there is a gentleman; and no one would question the assertion. He was as amiable as excellent; there was no asperity in his nature. He took a broad and noble view of every subject, and uttered his opinions with fearlessness, but with modesty—and his decisions were as oracles. Mr. Cabot died in April, 1823, in the seventy-second year of his age; and enjoyed through that long period, all that philosophy, philanthropy, and religion, could give to life. The civic wreath of such a man should be green forever.

WILLIAM GRAY,

one of the most successful of American merchants, was born in Lynn, in the county of Essex, and commonwealth of Massachusetts, in the year 1751. He came, when quite a boy, to Salem, and was an apprentice, first to Samuel Gardner, Esquire, an active merchant, but left him and finished his apprenticeship with Mr. R. Derby, also a business man of that place. Young Gray was an enterprising and indefatigable apprentice, and had acquired the confidence of the principal merchants in Salem when he commenced business for himself, which in that careful and industrious town, was a fine capital to begin upon. Mr. Gray was early prosperous in his affairs, and in less than twenty-five years after he had commenced business, was considered and taxed as the wealthiest man in the place, where there were several of the largest fortunes that could be found in the United States. He was all activity, and at times had more than sixty sail of square rigged vessels. It was a fact that no moderate breeze could blow amiss for him, for every wind of heaven carried for him some vessel to port. For more than fifty years of his life he rose at the dawn of day, and was shaved and dressed before the common hour for others to rise. Being dressed, his letters and papers were spread before him, and every part of his correspondence brought up. He was, at the same moment that he put millions on the adventurous tracks for gain, with the boldest character, careful of all the small concerns of expenditures. This he considered as belonging to the duty of business. He had married, in early life, Miss Chapman, of Marblehead, the daughter of a distinguished lawyer. They had five sons and one daughter. Mrs. Gray was a woman of great powers of mind, well cultivated, and for many years was among the first in the social circle.

During the embargo, Mr. Gray took side with Mr. Jefferson, notwithstanding his interest suffered greatly. His ships were rotting at the wharf. This course brought against him his old friends, and raised up a numerous host of new ones. He now removed to Boston, and was elected Lieutenant Governor of the state. He had several times been elected to the state senate, but politics were not his strong hold, and he sunk the great merchant in the common-place politician. His immense wealth was used for the wants of the government, with the liberality and confidence of one who believed that a government should not be poor when individuals were rich. It is doubtful whether any capitalist in the United States did so much for the exigencies of government as Mr. Gray. And while others were speculating on the depreciation of securities, no one will hesitate to say that his exertions were dictated by patriotism, with only the hopes of an honest remuneration. After the close of the war, he launched again into commerce, but not with his former success. Times had changed, but he had not changed with them, and what was a safe calculation once, was not so now; but still there can be no doubt but that he died a rich man, although no public inventory was ever taken of his estate, as his heirs gave bonds to pay debts and legacies — all the law of that state requires. Mrs. Gray died about two years before her husband, and his eldest son since his death. Mr. Gray was happy in his family, and was always a domestic man. He was worn out with the fatigues of business at the age of seventy-four, and departed this life November fourth, 1825.

PHILIP LIVINGSTON,

descended from a respectable Scotch family, and was born at Albany, January fifteenth, 1716. He was educated at Yale College, and graduated with the class of 1737. He became a merchant in New York after leaving his Alma Mater; and as there were but few well-educated merchants in Wall-street at that time, he was soon quite at their head, and of course had offices at his command. In 1754 he was an alderman of the city of New York, and after serving in this capacity for four years, was sent to Albany, as a representative of the city. In this body he soon became a leader, and directed its attention to the great interests of commerce; New York being then behind Boston and Philadelphia in her exports and imports. He was one of the committee of correspondence with the agent for the colony in England, the celebrated Edmund Burke; and his letters abound in information and critical remarks. Mr. Livingston was in congress in 1776, and affixed his name to the declaration of independence, for which he was a strenuous advocate. He was a member of the senate of New York, on the adoption of the state constitution; after which, under the provisions of that constitution, he was elected a member of congress; but he was not long permitted to devote himself to the service of his country, for on the twelfth of June, 1778, he died, with *angina pectoris*, or the dropsy of the chest, often twin messengers of death. He was a warm and fearless patriot in severe times, when thick clouds enveloped our political horizon.

FRANCIS LEWIS,

one of the New York delegation in congress when the declaration of independence was made, was born in Wales, in 1723. He was partly educated in Scotland, and then sent to Westminster, where he became a good classical scholar. In London he became an apprentice to a merchant, with whom he continued until he was of age. He then left England for America with handsome prospects, and set up business in New York. He was agent for the British colonies in 1756, and was taken prisoner and carried to France, from which country, on his exchange, he returned to New York. He was a lover of liberty, and stood foremost amongst the sons of freedom. In 1775, he was sent a delegate from the provincial congress of New York to the continental congress, and was there when the declaration of independence was made. He continued in that body for several years afterwards, and rendered great service as a commercial man. He suffered much for his patriotism, the British having destroyed his property on Long Island. He had, however, the satisfaction of seeing the country prosperous, though he was not. He died on the thirtieth of December, 1813, in the ninetieth year of his age.

ROBERT MORRIS

was a native of England, but came to this country when quite young, and was educated in Philadelphia. After finishing his education, he entered a counting-house, and in a few years became conspicuous as a thorough merchant. When the revolution broke out, Mr. Morris sided with the colonists, and was distinguished as a patriot. He was elected a delegate to the second continental congress, and was in that body in 1776, when the declaration of independence was signed. During the whole war, he was considered the ablest financier in the country, and Washington had recourse to him, when he could not procure any thing from congress. In 1781, Mr. Morris was appointed superintendent of finances, and was, perhaps, the only man in the country fit for the office. He had a most arduous task to perform; it was indeed gigantic, for it involved all the duties of every department of the government, so far as money was concerned. Washington had the highest confidence in him, and Franklin thought him a most wonderful man. He surprised all by his power of raising money for public exigencies, when our credit was under the worst circumstances. He provided Washington with money to carry on his southern campaign against Cornwallis, the defeat of whose army ended the war. He died on the eighth of May, 1806, in the seventy-third year of his age. It may be said of him that he was a great public benefactor.

BENJAMIN PICKMAN

was born in Salem in 1740. He was the son of a distinguished merchant in that town, and was graduated at Harvard College, in 1759.

He entered his father's counting-room after leaving college, and soon took a high stand in society.

When the revolutionary war broke out, he was lieutenant colonel of the Salem regiment, but he had not made up his mind that the time had arrived a separation of the two countries. He was a friend to his own, but could for not come to the doctrine of a sudden dismemberment. He went to England under a furlough from the legislature, and there did much good in assisting the unfortunate who were taken prisoners in the first years of the struggle. His wife and family remained in this country until the war closed, and of course his estates were not confiscated. In 1784 he returned to his native land, and was greeted with kindness by his old friends. He now commenced business again as a merchant, but in the attachment, or any process or proceeding in said suit, then this obligation to be void, otherwise to remain in force."

This bond must be signed by one or more securities, *resident house holders in the county in which the suit is to be brought*, and must be for a sum at least double the amount of the demand sworn to.

IV. *Of proving endorsements and partnerships.*

In a suit by endorsee of a note, bond, or bill of exchange, the handwriting of the endorser must be proven. This may be done by an affidavit of some person acquainted with it, attached to the instrument sued upon, and filed in the suit twenty days before the day of trial. It would, therefore, be advisable, in all cases where such proof may be necessary, to send the affidavit with the claim.

A partnership may be proven, also, by an affidavit filed in the case twenty days before the day of trial, setting forth the names and respective places of residence of all the partners, the name or firm of the partnership, the general nature of the business, and where transacted, the time of the commencement of the partnership, that it still exists, if such be the fact, and if not, when the firm was dissolved. An affidavit of this kind should, therefore, always accompany a claim upon which suit is to be brought by a firm.

THE CIRCUIT COURTS

Throughout the state are held in the different counties, as follows:

Audrain,	1st Mondays in March, July, and November.
Barry,	1st Thursdays after 3d Mondays in March, July, and November.
Benton,	3d Mondays after 4th Monday in March, July, and November.
Boone,	1st Mondays in April, August, and November.
Buchanan,	3d Mondays in March, July, and November.
Caldwell,	2d Mondays in March, July, and November.
Callaway,	4th Mondays in March, July, and November.
Cape Girardeau,	3d Mondays in February, June, and October.
Carroll,	1st Mondays in April, August, and December.
Chariton,	1st Mondays in January, May, and September.
Clarke,	2d Thursdays after fourth Mondays in March July, and November.
Clay,	3d Mondays in April, and August, and 1st Monday in December.
Clinton,	1st Thursdays after 2d Mondays in March, July, and November.
Cole,	1st Mondays in March, July, and November.
Cooper,	2d Mondays in March, July, and November.
Crawford,	1st Mondays in March, July, and November.
Davies,	2d Mondays in April, August, and December.
Franklin,	3d Mondays in February, June, and October.
Gasconade,	2d Mondays after 4th Mondays in March, July, and November.
Greene,	1st Mondays after 4th Mondays in March, July, and November.
Howard,	4th Mondays in April, August, and December.

Jackson,	2d Mondays in April, August, and October.
Jefferson,	2d Mondays after 4th Mondays in March, July, and November.
Johnson,	1st Thursdays after 3d Mondays in March, July, and November.
La Fayette,	1st Mondays in April, August, and October.
Lewis,	1st Thursdays after 4th Mondays in March, July, and November.
Lincoln,	1st Mondays after 4th Mondays in April, August, and November.
Linn,	4th Mondays in April, August, and December.
Livingston,	3d Mondays in April, August, and December.
Macon,	1st Thursdays after 4th Mondays in April, August, and December.
Madison,	4th Mondays in January, May, and September.
Marion,	1st Mondays in January, May, and September.
Miller,	1st Mondays after 4th Mondays in March, July, and November.
Monroe,	2d Mondays in March, July, and November.
Montgomery,	3d Mondays in April, August, and November.
Morgan,	4th Mondays in March, July, and November.
Newton,	4th Mondays in March, July, and November.
New Madrid,	2d Mondays in March, July, and November.
Perry,	4th Mondays in March, July, and November.
Pettis,	1st Thursdays after 4th Mondays in March, July, and November.
Pike,	2d Mondays in March, July, and October.
Platte,	4th Mondays in March, July, and November.
Polk,	2d Mondays after 4th Mondays in March, July, and November.
Pulaski,	2d Mondays in March, July, and November.
Ralls,	1st Mondays in March, July, and October.
Randolph,	3d Mondays in January, May, and September.
Ray,	4th Mondays in April and August, and 2d Monday in December.
Ripley,	1st Mondays in February, June, and October.
Rives,	4th Mondays in March, July, and November.
St. Francois,	3d Mondays in March, July, and November.
Ste. Genevieve,	1st Mondays after 4th Mondays in March, July, and November.
St. Charles,	2d Mondays after 4th Mondays in April, August, and November.
St. Louis,	3d Mondays in March, July, and November.
Saline,	3d Mondays in March, July, and November.
Scott,	1st Mondays in March, July, and November.
Shelby,	4th Mondays in March, July, and November.
Stoddard,	2d Mondays in February, June, and October.
Taney,	3d Mondays in March, July, and November.
Van Buren,	3d Mondays in March, July, and November.
Warren,	4th Mondays in April, August, and November.
Washington,	2d Mondays in March, July, and November.
Wayne,	1st Thursdays after 1st Mondays in February, June, and October.

ART. VIII.—MERCANTILE LAW REPORTS.

FIRE INSURANCE—EXTENT OF THE POWERS OF INSURANCE AGENTS TO BIND THEIR PRINCIPALS.—IMPORTANT DECISION ON A FIRE POLICY.—INSURANCE—GENERAL AVERAGE—TECHNICAL TOTAL LOSS—PARTIAL LOSS—ABANDONMENT—SALE OF VESSEL BY THE MASTER—VALUATION—MARINE INTEREST.

FIRE INSURANCE—EXTENT OF THE POWERS OF INSURANCE AGENTS TO BIND THEIR PRINCIPALS.

THE following interesting case in the Supreme Court of New York, of fire insurance, involves the question of the extent of the powers of agents to bind their principals, and as a large proportion of the insurances in the country are effected through agents, we publish a full report of Judge Bronson's opinion.

Samuel Lightbody v. *North American Fire Insurance Company.*

This was an action brought to recover two thousand dollars on a policy of insurance, issued by the agent of the North American Insurance Company, residing in the city of Troy. The facts, as offered in evidence, were these: The plaintiff resides in the city of Utica, and was the owner of a block of wooden buildings, which he wished to get insured, and sent a survey of the property to a friend, residing in the city of Troy, requesting him to get it insured in some responsible company in Troy or Albany, authorizing him to pay one half per cent. premium. The person to whom the survey was sent called on H. Z. Hayner, Esq., agent of the North American Fire Insurance Company, and inquired if he was authorized to take risks in the city of Utica; being answered in the affirmative, he presented him the survey, and asked at what rate he would insure that property. Mr. Hayner requested that he would leave the survey with him for a few days, that he might examine it before agreeing upon the premium. In about a week's time he called again, and they agreed upon the premium, at one half per cent., which was paid at the time, and a receipt taken for the same.

That same night, March 30th, 1837, those buildings, with many others, were destroyed by fire. Subsequently to this, the agent gave the insured a policy of insurance, according to agreement, signed by the president and secretary of the company, and containing the incorporate seal.

There were two points of defence set up by the defendant's counsel; one was, that the policy was of no validity, having been delivered after the buildings had been destroyed; therefore it could not obligate the company to pay for what did not exist when it came into the possession of the plaintiff.

The other point of defence set up, was, that their agent was restricted by the company to insure only in Troy and its vicinity; and, therefore, by insuring in Utica he had transcended his authority, and consequently could not bind the company by his acts. In answer to which, it was urged by the plaintiff's counsel, that the delivery of the policy after the fire was no new contract, but that it was in accordance with the general custom to take a receipt on effecting an insurance, and afterwards receive the policy of the company.

In answer to the other objection, it was contended, that the plaintiff was not bound to inquire what instructions the agent might have received from the company to regulate his conduct; that it was enough for his purpose to know that he was their authorized and accredited agent, for the general purposes of insurance, and that if he transcended his instructions he was amenable to the company; and that an individual, who had not the means of knowing what those instructions were, ought not to suffer on this account.

The Court ruled, that the objections could not be sustained, and directed the jury to find for the plaintiff the full amount claimed.

Exceptions were taken by the defendant's counsel, and the case having been carried to the Supreme Court, the following is the opinion of the Bench, decided at the late term in Albany.

By the Court, Bronson, Judge. Without intending to intimate any opinion on a question which may be made between the principals and their agent, I shall presume, for all the purposes of this case, that the agent departed from his instructions in taking a risk at Utica. This hypothesis will not aid the defendants. Hayner was a general agent for effecting insurance on behalf of the company, and acted within the general scope of his authority in taking this risk. Although he must answer to his principals for departing from their private instructions, he clearly bound them, so far as third persons, dealing with him in good faith, are concerned. The question is not so much what authority the agent had in point of fact, as it is what powers third persons had a right to suppose he possessed, judging from his acts and the acts of his principals. Perkins *v.* Washington Insurance Company, (4 Cowen, 645.) This rule is necessary to prevent fraud, and encourage confidence in dealing, (2 Kent, 620.) It is difficult to conceive how the defendants could have conferred a more unlimited authority upon the agent, so far as third persons are concerned, than they did by furnishing him with policies already executed by the officers of the company, and ready to be delivered to any one who might wish to contract, after his name, the subject insured, extent of the risk, and date of the transaction, had been inserted in the contract. The plaintiff had a right to believe that the defendants reposed unlimited confidence in Hayner in relation to the subject of his agency; and it would be a monstrous doctrine, to hold that they may now discharge themselves by setting up their private instructions, which were wholly unknown to the plaintiff when he entered into the contract. The rule is different in relation to a *special* agent: he cannot bind his principals beyond the precise limit of his authority. But Hayner was a *general* agent, acting within the scope of his powers; and if he was wrong in taking this risk, that is a question to be settled between him and his principals.

The objection that this was a special risk, and that Hayner had no authority to take special risks without consulting the company, depends on the same principle as the objection already noticed, and requires no separate consideration. There is no ground for imputing bad faith to the plaintiff, or to his agent, Knowlson, who negotiated the contract with Hayner. So far as appears, the plaintiff did not know that the defendants had an agent in Utica; and if he had known that fact, he did not instruct his agent at Troy to insure with the defendants; Knowlson called on Hayner, because he saw from the sign on his door, that he was an agent for making insurance. He asked Hayner if he had authority to take risks in Utica, and the agent answered, he thought he had. There was nothing in this calculated to excite a doubt concerning the extent of the agent's powers; and besides, the counsel did not suggest on the trial, as they did on the argument, that there was enough to put Knowlson on inquiry; it is too late now to raise that question, if there was ever any ground for making it.

The offer to prove that risks in plaintiff's block were very hazardous, was of no manner of consequence, so long as there was no pretence that plaintiff had either misrepresented the true character of the risks, or omitted any thing which should have been stated in the survey on which the defendants acted, nor was it a matter of any moment that the defendants' agent at Utica had refused to take risks in that block, and would have refused this risk had it been offered to them; that fact could prove nothing against the plaintiff; and had the plaintiff known that R. & S., the agents at Utica, had refused to insure other buildings in the same block, which is more than the defendants offered to prove, that would not alter the case. Because other persons could not obtain insurance, it did not follow that the plaintiff could not; and if the plaintiff himself had been refused by one agent or company, it did not preclude him from applying to another. If he was chargeable with no concealment or misrepresentation affecting the contract which was made, it cannot be avoided on the ground that one, or even a dozen, other persons have refused to make a similar contract with him.

The defendants did not avow on the trial that they intended to impute fraud to the plaintiff, but if they had done so, the several offers of evidence did not go far enough to raise such a question.

If the policy was well delivered, it took effect by relation from the day of its date, which was the day on which the premium was paid and the contract concluded. (Jackson *v.* Ramsay, 3 Cowen, 75, and cases cited.) It was the manifest intent of the parties, that the contract should separate from the day of its date, so as to give the plaintiff the same legal remedy which he would have had if the policy had in fact been delivered on that day, and the law will give effect to that intention.

This doctrine was not directly denied on the argument, but it was said that the policy was not duly delivered on the twenty-first of April, for the double reason that the power of the agent was then at an end, and the plaintiff had notice that the defendants refused to ratify or be bound by his act in making the contract. Although the defendants told the plaintiff on the twenty-first of April that the authority of Hayner had been revoked, the letter of revocation was not even written until the next day, and it was not received by Hayner until the twenty-third of April; so far as the agent was concerned, he not only pursued his authority in delivering the policy, but he acted in perfect good faith towards his principals, for he had no notice that they intended to put an end to his agency. The delivery was well made, and bound the defendants, unless there was something in the circumstances of the case which should have precluded the plaintiff from receiving the policy when it was offered to him.

How does the question stand in relation to the plaintiff? He had, as we have already seen, made a valid contract with the defendants, and was entitled to the usual evidence of that contract, a policy of insurance.

He could, I think, have maintained an action on the case against the defendants for a refusal to deliver the policy, in which he would have recovered damages to the full amount of his loss. But if his remedy at law be questionable, he had a perfect equitable right to the delivery of the usual policy, which he might have enforced in the proper forum. (Perkins *v.* Washington Insurance Company, 4 Cowen, 645.) Having this equitable right to the policy, he was clearly at liberty to receive it, when voluntarily tendered to him by one who had authority to tender it. It would be a refinement in law, if not in ethics, to hold a man precluded from accepting that which was rightfully his due, because he happened to know that the debtor did not intend to discharge his obligations.

The plaintiff was not told that the authority of Hayner had been, or would be, revoked, until his second call at the defendants' office on the twenty-first of April, and for aught that appears, the policy had then been delivered. But suppose the delivery was after the second call; the plaintiff was not chargeable with notice that the powers of the agent had been revoked, for such was not the fact. The defendants can claim nothing on the ground of having given information that was untrue.

The only notice, then, which could properly be imputed to the plaintiff, was notice that the defendants intended to revoke the powers of the agent. Immediately afterwards, if it did not happen before, Hayner met the plaintiff, in pursuance of the appointment previously made at Troy, and delivered the policy. There was no false suggestions or deceit on the part of the plaintiff; he neither said nor did any thing to induce the delivery. The matter then comes to this: the plaintiff accepted that which was voluntarily tendered, and was his rightful due, with the knowledge that his debtor did not intend he should have it. That cannot be a good impeachment of his title.

Although the plaintiff could not sue on the receipt for premium, that paper was properly received in evidence as a part of the transaction. The objection to reading the policy in evidence, is disposed of in what has already been said; and so also with the objection that the preliminary proofs showed a loss accruing previous to the execution and delivery of the policy.

There are, I believe, no other exceptions which were not abandoned on the argument.

New trial denied.

IMPORTANT DECISION ON A FIRE POLICY.

The new Vice Chancellor, Murray Hoffman, Esq., has lately made a decision in the case of *Charles McEvers and others* v. *the Receivers of the Merchants' Fire Insurance Company*, which shows how careful parties sustaining loss by fire should be in performing the conditions of their policy.

The premises, in the present case, were destroyed by the great fire in 1835. They were then worth the full amount of a policy which had been effected with a certain insurance company.

Receivers stood ready to pay a dividend of 68 per cent. on the policy, if so decreed. There were, also, other funds for a final dividend, which had not yet been declared.

The pleadings contained certain averments as to the omission to give notice of the loss; and some proof was taken upon that subject, all of which are particularly stated in the following opinion of the Court.

The Assistant Vice Chancellor.—"Various objections have been made, on the part of the receivers, to the relief prayed by the bill; I have formed so decided an opinion upon the question of the omission to give proper notice of the claim, that I shall not enter into the examination of topics, no conclusion upon which could vary the decree" I must make.

The policy contains the following: "persons sustaining loss or damage by fire shall forthwith give notice thereof in writing to the company, and, as soon as possible, they shall deliver as particular an account of their loss and damage as the case will admit, signed with their own hands, and they shall accompany the same with their oath or affirmation, declaring the said account to be true and just; the whole cash value of the subject insured; and various other particulars prescribed. A certificate under the hand and seal of a magistrate, is also to be produced, stating his examination of the circumstances attending the fire, etc., and until such proof, declarations, and certificates are produced, the loss shall not be payable."

The pleadings in these cases have distinctly raised the point, whether notice was given or not? The issue was raised by the allegation of the original bill, that it was duly given shortly after the fire; and by the denial, on the information and belief in the answer and the averment, that no such notice was given until after the appointment of receivers, in May, 1836, more than four months subsequent to the fire. The secretary of the company has been examined, and disproves the allegation so far as his information extends. The president, or other officers, who might have received it, as suggested at the bar, have not been examined. It is out of the question to presume notice under such circumstances.

It is, however, said, that the receivers have, by their conduct, impliedly admitted that proper notice was given. This depends mainly upon their letter, addressed to the complainants on the 20th of July, 1836. In that they urge various equities, chiefly that the other securities, held by the New York Insurance Company, should be resorted to, and it is said they do not urge the want of notice as a ground of resisting the claim. They do, however, suggest, whether they are at all answerable, out of the funds of the Merchants' Insurance Company, to pay the claim on the policy, or any part thereof. And they apprize them that they shall resort to all legal and equitable means to contest the claim under the policy. There is no admission of notice in this. Nor is there such in any act or statement of the receivers which has been pointed out. Neither can they be bound by any implied waiver of notice. An express waiver of any legal technical defence to a claim, would be as great a breach of duty as an abandonment of the most equitable one. In the case of the receivers of the Life and Fire Insurance Company, the chancellor treated them as bound to resist the claim of holders of certain securities, called bonds, upon grounds of a legal nature, which, as between the stockholders and the claimants, at least, had but little equity in them—(sect. 3, page 224.) Under these circumstances, the Court must proceed to the question, whether the neglect to give the notice, until more than four months after the loss, is fatal to the claim.

It is urged, that the omission may be waived, as well as the omission to give full preliminary proofs of loss; and that such waiver may be implied, from no objection being made on that account, and the refusal placed upon other grounds. The case of Vos *v.* Robinson, (9 John. Rep. 195,) as to a marine policy, and of Dawes *v.* the N. R. Insurance Company, (7 Cowen, 462,) upon a fire policy, have been cited to this point.

The former, as well as other cases, establish, that a defect in preliminary proofs may be waived. But the waiver must be made by a competent authority. In the latter case it was held, that the president of the Fire Insurance Company was not authorized by the charter to waive the full preliminary proofs; although it was admitted that, had they been dispensed with by a board of directors, or a committee authorized to settle the claim, the company would have been bound. But the president had no more power to dispense with the terms of the contract than any other stockholders.

It would be difficult to sustain the proposition, that the receivers could dispense with what the contract requires. It is, however, certain, that in this case they have not dispensed with it. The important case of Inman *v.* the Washington Insurance Company, (12 Wendell, 455,) has been cited and commented upon to sustain this defence. It appears to me to establish, beyond controversy, that no action could be sustained at law. What right has a court of equity to declare a different rule? I cannot find any equity arising from accident or any other cause on the part of the complainants, much less from the fraud of the defendants, which affords such equity. The original bill cannot be sustained.

Then the question is, whether the relief asked by the cross bill can be given?

If the case rested between the Merchants' Insurance Company and the New York Insurance Company alone, I should have no difficulty. The law of the court, whatever doubt may have before existed, is now certain. No instrument, deemed to be void by a court of equity, and which it will not enforce or make the ground of a decree asserting a right, ought to remain in existence, provided the pleading enable the courts to annul it. The doctrine is fully stated by Justice Story. (2 Story's Equity, 10. 700; see also, Goddard *v.* Garret, 2 Eq. Ab. 371, pl. 2; French *v.* Conelly, 2 Anst. 454; Hamilton *v.* Cummings, 1 Johns. C. R. 320.)

My doubt arises, first, from the injury that may result to other and innocent parties from the neglect of the company. But I am bound to consider that the company was the agent to assert their rights as well as its own, and that all the other parties had a right to supervise their conduct, and to see that their duty was performed. At least they must, although unfortunately, abide by the company's neglect; and the omission of proper notice is a defence against all, wheresoever the fault may lie.

But, next: I consider that, before the court can decree the cancelment of an instrument, it must see clearly that no person but those before it can sustain the claim under it; otherwise, the remedy should be a perpetual injunction against the parties to the suit.

I do not see that any person, except Elliott, Lamb, the company, or Raymond and his assignee, can possibly have any interest in the question.

The original bill must be dismissed, and a decree be made under the cross bill for delivery up of the policy of insurance. Under the peculiar circumstances of the case, I think each party should bear his own costs.

INSURANCE—GENERAL AVERAGE—TECHNICAL TOTAL LOSS—PARTIAL LOSS—ABANDONMENT—SALE OF VESSEL BY THE MASTER—VALUATION—MARINE INTEREST.

THE case of *James L. P. Orrok and others* v. *Commonwealth Insurance Company*, recently decided by the Supreme Judicial Court of Massachusetts, was an action on a policy of insurance on the brig Rolla. The plaintiffs claimed for a total loss. The defendants admitted themselves to be liable for a partial loss, but not for a total loss.

It appeared that the insurance was on time; that the Rolla, on the 9th of February, 1835, during the time covered by the policy, struck upon a rock in the Mediterranean Sea, while pursuing a voyage from Barcelona to Vera Cruz, intending to touch at Gibraltar for provisions; that on the next day after getting off the rock, she was compelled, by the injury she had received, to put into Roquetas, where the captain procured eight men to go on board and assist in pumping; that on the following morning she was driven to sea by the violence of the wind, but succeeded in reaching Malaga on the 15th of February; that, at Malaga, by the advice of the American consul, a survey was called, and the surveyors reported, that it was necessary that the vessel should be unloaded, in order to examine her; that this having been done, another survey was called, and a report made by the surveyors in writing, which concluded by recommending that the vessel should be sold; and that the captain afterwards, by the advice of the consul, and in pursuance of such report, sold her by auction.

It farther appeared, that the cargo consisted of wines, and other articles which were not of a perishable nature; and that the vessel was repaired in about ten days so as to be enabled to make a voyage across the Atlantic.

The plaintiffs abandoned the vessel on the 5th of August, 1835; and there was evidence that the captain arrived in Boston on the 10th of the preceding July.

The defendants introduced, as a witness, John S. Tyler, an insurance broker in Boston, who testified, that, according to the usual manner of adjusting losses in Boston, the expense of the eight men from Roquetas, and that of the first survey while the cargo was on board, would be charged as general average; that the expense of the second survey, if on the vessel after the cargo was out, would be a partial loss; that the cost of the carpenters' work and labor, and all the expenses necessary in order to make the surveys, would follow the surveys respectively, and be general average or partial loss, as the principle to which they were incident was the one or the other; that the expenses of lighterage, boat hire, hire of the vessel in which the cargo was put, and all the expenses respecting the cargo, would be general average; that wages, and the cost of provisions, from the time of bearing away for a port of necessity, etc., if the vessel had been repaired, during such repairs, and until she was again upon her voyage, would also be general average; and that if, in order to make the repairs, money was raised on bottomry, one third was deducted from the marine interest paid, and two thirds only charged to the underwriters.

At the trial, the counsel for the plaintiffs, upon the cross-examination of Samuel F. Holbrook, a shipwright, who was introduced as a witness by the defendants, proposed the following question: "As this vessel and the injury to her have been described, would she, after being repaired, be of less value than before the injury happened?"

This question was objected to by the defendants; and the judge ruled that it could not be proposed.

The plaintiffs contended, that if the master could not have made complete repairs at Malaga, for less than one half of the value of the vessel, but could have made partial repairs at Malaga and then carried his vessel to Gibraltar, and there made complete repairs, at an expense in the whole not exceeding one half of such value, he was not bound to have made partial repairs at Malaga, and then have gone to Gibraltar for complete repairs; but the judge was of a different opinion, and instructed the jury accordingly.

The plaintiffs contended, that the valuation in the policy was not conclusive, and that they had a right to show, that the vessel was of less value, and especially that she was of less value at Malaga, the port of necessity; but the judge instructed the jury otherwise, and ruled, that the valuation in the policy was conclusive.

The plaintiffs farther contended, that if the valuation in the policy was conclusive, still the premium should be excluded, in determining whether the insured were authorized to abandon; and that as the valuation in the present case was eight thousand dollars, including the premium of seven per cent., an excess of one half of seven thousand four hundred and forty dollars, would authorize an abandonment; but the judge ruled otherwise, and instructed the jury, that the insured were not authorized to abandon, unless the expense exceeded one half of eight thousand dollars.

The plaintiffs contended, that in determining whether the expense of repairs authorized an abandonment, the whole of the marine interest necessary to be paid was to be included; but the judge ruled otherwise, and instructed the jury, that only two thirds of the marine interest were to be included, that is, that the deduction of one third new for old was to be made from the whole cost (including the marine interest) of the items subject to such deduction.

Several other points were made by the plaintiffs, at the trial, which were overruled by the judge, and a verdict was rendered for a partial loss only.

The case was argued before the full court on a motion by the plaintiffs for a new trial, and the court decided that the verdict of the jury was right. They made the following, among other, points:

1. That on the question whether the cost of repairs would exceed half the value of the vessel, evidence tending to show that she would have been of less value after being repaired than she was before the injury, was inadmissible.

2. If the injury sustained by a vessel insured is not of such a nature and extent as to warrant an abandonment, it is not such a case of necessity as will warrant a sale by the master.

3. In determining whether the expenses in repairing an injury sus-

tained by a vessel insured under a valued policy, will exceed half of her value, and thus constitute a technical total loss, the valuation of the vessel in the policy is conclusive as to her value.

4. Where, in such case, the policy provides that the insured shall not have a right to abandon unless the loss exceeds half the amount insured, and the valuation includes the premium, the loss must exceed one half of the whole valuation, including the premium, to authorize an abandonment.

5. If it is necessary to raise money at marine interest for the purpose of repairing a vessel insured, the rule of deducting one third new for old is to be applied to such interest, in determining the amount for which the insurers are liable.

6. The vessel's proportion of items of general average is not to be added to the partial loss, in order to make up the loss of fifty per cent., which authorizes an abandonment.

COMMERCIAL REGULATIONS.

AN ORDINANCE CONCERNING THE LEVEE DUTIES IN AND FOR THE PORT OF NEW ORLEANS.

The General Council of the Municipalities of New Orleans, in conformity with the 20th section of the Act of Incorporation, approved 8th March, 1835, ordain as follows:

ARTICLE 1. The levee or wharfage duties, on ships and other decked vessels, and on steam vessels, arriving from sea, shall be fixed as follows:

On each	sea vessel	under 75 tons			$12 00
"	"	of 75	and under	100 tons	15 00
"	"	100	"	125	20 00
"	"	125	"	150	25 00
"	"	150	"	200	30 00
"	"	200	"	250	40 00
"	"	250	"	300	50 00
"	"	300	"	350	55 00
"	"	350	"	400	60 00
"	"	400	"	450	65 00
"	"	450	"	500	75 00
"	"	550	"	600	85 00
"	"	600	"	650	95 00
"	"	650	"	700	110 00
"	"	700	"	750	120 00
		over 750			130 00

ART. 2. The payment of these duties shall be exacted and collected by the municipality within whose limits such vessels may have moored, after their arrival from sea in port; and an extra duty, of one third of these rates, shall be paid by all vessels which may remain in port over two months, the same to be recovered at the commencement of the third month; and if they remain in port four months, then they shall pay a farther additional wharfage, of one third of said rates, at the commencement of the fifth month, and be privileged to remain until the expiration of six months from date of original arrival and mooring, without a farther charge being imposed on them.

ART 3. When any vessel shall be removed from that division of the port in which it shall have originally paid duty, to another division of said port, under the jurisdiction of another municipality, said latter municipality shall be entitled to receive from the municipality to which said duty had been first paid, in the following ratio, viz.:

One half of the duty actually paid or due, if said vessel have not remained longer than fifteen days in that part of the port in which it was first moored; one third, if said vessel have remained longer than fifteen days, but not more than twenty-five days; but if beyond twenty-five days, not any part of said duty shall be recovered. Nevertheless, the municipality in whose limits said vessels shall afterwards be moored, shall have the right to levy and collect the extra duty of one third of the rates mentioned in Article 1, on the conditions mentioned in Article 2; provided, that no farther charge or extra duty shall be exacted from any vessel which may have removed from one part of the port to another, for the mere purpose of forthwith proceeding to sea.

ART. 4. All vessels or steamboats coming from sea, which, after their arrival in port, shall proceed to, and return from, any plantation or other place, with a cargo, or part of a cargo, of any kind of produce whatever, and shall again enter the port for the purpose of discharging the same, shall pay, on returning from any such trip, a levee duty of eight dollars over and above the duties fixed by the 1st Article of this ordinance, the same to be collected by the municipality within whose limits said vessels may discharge said produce.

ART. 5. The levee duties on steam vessels navigating on the river, and which shall moor and land in any part of the incorporated limits of the port, shall be fixed as follows:

On each steamer under 75 tons	$ 8 00
" " of 75 and under 100 tons	12 00
" " 100 " 150	16 00
" " 150 " 200	20 00
" " 200 " 250	25 00
" " 250 " 300	30 00
" " 300 " 350	35 00
" " 350 " 400	40 00
" " 400 " 450	45 00
" " 450 " 500	50 00
" " 500 " 550	55 00
over 550	60 00

ART. 6. All steam vessels employed as packets, and plying regularly between this port and the ports in the Gulf of Mexico, including Havana, shall pay no other or higher rate of wharfage than is imposed by this ordinance on steamboats navigating the Mississippi.

ART. 7. The duties specified in the preceding Article, shall be paid on the mooring and landing of said steamers in port, by their captains or other agents, to the officer entrusted with their collection by the municipality within whose limits said vessels shall have moored and landed.

ART. 8. After the payment of these duties, said steamers shall be entitled to remain thirty days in that part of the port which may have been designated by the municipality to which it belongs; and any steamer remaining over thirty consecutive days, shall pay an additional duty of two dollars per day, until its final departure from port, the same to be collected daily; and if any steamer leaves its first landing place, to take a berth and be moored in another municipality, it shall pay said additional duty of two dollars per day, to the collector of the municipality into whose limits it shall have been removed, whether said term of thirty days shall have expired or not at the time of such removal.

ART. 9. Steamers employed as tow boats, and which shall have received on board any produce, the whole or any part of the cargo of a vessel, and shall discharge the same on the levee, shall pay the same duty as is specified in Article 5, according to their tonnage; said duty to be collected by the proper officer of the municipality within whose limits such discharge shall be effected.

ART. 10. Tow boats shall pay, for each time they may moor to take in wood or other fuel, eight dollars to the municipality within whose limits they may moor and take in said fuel.

ART. 11. The following levee dues shall be exacted on all flat boats, barges, keel boats, pirogues, and all other raft, crafts, &c.:

On each flat boat, either fully or in part laden with produce, materials, or merchandise of any kind	$10 00
On each barge, measuring 70 feet or more in length	10 00
On all barges, keel boats, or boats measuring less than 70 feet, and not exceeding 15 tons burthen	6 00
On all other boats not described in the present ordinance	4 00
On each coasting pirogue	1 00
The owners or keepers of boats used as places of depot for any article whatever, shall pay a duty, per day, of	1 00

The following duties shall also be levied:

On being broken up, if in the incorporated limits of the port, each flat boat	4 00

On each steamer, or other vessel than flat boats, being broken up within said limits	10 00
On rafts of timber not containing more than 25 logs each raft	5 00
On each raft of timber containing more than twenty-five logs, then in the ratio of that increase.	
On each craft measuring 40 tons or under, employed to carry sugar, molasses, wood, or any other description of merchandise, there shall be levied, on each trip, a duty of	4 00
On all craft exceeding forty tons each, employed as above, shall also be levied, on each trip, a duty of	6 00

ART. 12. All boats or other vessels arriving within the limits of the port, with fish, meat, vegetables, eggs, or any and every other kind of provisions, expressly for the purpose of supplying the several markets, shall be entirely exempt from paying any levee dues; but the same, and all other description of craft otherwise employed, whether particularly mentioned in this ordinance or not, shall pay duty according to the tariff above ordained.

ART. 13. The time allowed for all pirogues, flat boats, boats, barges, and keel boats, to land their cargoes in port, shall be fixed at twelve days from their original arrival, after which said craft shall pay daily an additional duty, on each barge, boat, or keel boat over 70 feet in length, of $1 00

And less than 70 feet long 75

And in the event of any said vessels removing from one municipality to another, from their first place of landing, they shall pay daily said additional duty to the latter municipality, whether said term of twelve days shall have expired or not.

The time allowed for discharging of boats or other craft not otherwise described in this ordinance, is fixed at twelve days from their arrival in port, after which said boats and craft, and all rafts and floats, shall be taken out of the incorporated limits of the port, under penalty of being fined $25 for each day they may be found in violation of the law, said fine to be paid by all owners, masters, keepers, or consignees of said flat boats, rafts, or floats, for each and every day they may refuse to comply with the dispositions of the present ordinance; said fine to be recovered before any competent tribunal, on the evidence of the proper officer whose duty it is to see the levee or port ordinances carried into effect. Provided, however, that this clause in the present ordinance shall not deprive any of the municipalities of the right of granting a specific privilege for said flat boats, rafts, or floats, to be broken up and used within any one of their respective limits.

ART. 14. It is hereby expressly forbidden to all owners, masters, consignees, or other persons, to sell, or cause to be sold, on board of any of the aforesaid craft, under any pretence whatever, wine, beer, cider, and spirituous liquors, in quantities less than a barrel, under a penalty of fifty dollars for each contravention; said fine to be paid by them in the like manner, and on the like evidence, as are described in Article 13. It is also expressly forbidden to smoke, or allow to be smoked, meat of any kind on board of said craft, under the penalty, in the manner levied, and on the evidence above mentioned.

ART. 15. All barges, flat boats, keel boats, or other craft, in which shall be exposed for sale in the part of the port assigned for their accommodation during the said term of twelve days, any produce, goods, or merchandise, brought on board from a distance less than 100 miles above the city of New Orleans, excepting sugar, molasses, and cotton, the staples of Louisiana, shall be fined in a sum of not less than $50, nor exceeding $100, the same to be recovered in the manner set forth in Article 13.

ART. 16. In case any person should furnish any false reports relative to the cargoes, owners, or consignees, or the date of such crafts entering the port, or in any manner interfere with or impede the officers of the several municipalities in the free exercise of the duties devolving on them, said person or persons so contravening shall, on conviction, pay a fine of not less than $20, nor exceeding $100, for each contravention.

ART. 17. It shall be obligatory on the part of captains of vessels and steamers, and also on masters, owners, and keepers of all crafts, flat boats, rafts, and floats, to pay the aforesaid duties on board of their respective vessels, a receipt for which shall be delivered to them by the proper officer of each municipality, in order to prove payment thereof, in case any of said vessels, craft, &c., be removed from one division of the port to another.

ART. 18. All the fines imposed by this ordinance shall be for the benefit of the municipality within which any contravention thereof may have been committed; the same to be levied on the evidence of the wharfinger, and if voluntarily paid, the receipt for the same shall be given by the treasurer; but if they be resisted, then their recovery shall be effected by and before an authority or court of competent jurisdiction.

Art. 19. It shall be a special duty of the wharfinger for each municipality to make a weekly report to the comptroller thereof, of all and every description of vessels, their tonnage, &c., which may each day enter and moor within the limits of the port under his superintendence; which weekly report shall be carefully filed in the office of said comptroller, for farther reference and examination, and in regular rotation of dates.

Art. 20. Be it farther ordained, that, from and after ten days' promulgation of this ordinance, the wharfage collectors of the three municipalities shall cause to be kept, by the enrolling clerk at the custom house, a record book, in which daily entries shall be made of every vessel which may arrive from sea, specifying their names, their masters, consignees, where from, and their tonnage, having three marginal spaces on the right hand, headed, municipality Nos. 1, 2, 3, respectively, which space shall be from time to time filled up with the signatures of the three several wharfage collectors, indicating that they have received the wharfage due to their respective municipalities, by each of whom the expense of procuring and maintaining said book of record, if any, shall be borne and paid in three equal proportions.

Art. 21. Be it also ordained, that, in the event of the resignation or suspension of any officer or officers employed as collectors of any of the branches of the revenues belonging to either of the municipalities, he or they shall be forthwith required to deliver up to the treasurer of the municipality whence his or their appointment was derived, all his or their books, accounts, and vouchers appertaining thereto.

Art. 22. The present ordinance shall be put in force in ten days after its promulgation by the mayor; and the execution of such dispositions thereof as relate to the police of the port, shall specially belong to the officers appointed by each of the municipalities for this purpose.

Art. 23. All previous ordinances, or parts of ordinances, relative to levee dues, and to the police of the port, and which may be at variance with, or opposed to, the provisions of the present ordinance, shall be, and the same are hereby repealed.

HOSPITAL MONEY.

Extract from Chapter XIV. Title IV. of the Revised Statutes of the State of New-York, entitled, "Of the public health."

Sec. 7. The health commissioner shall demand, and be entitled to receive, and in case of neglect or refusal to pay, shall sue for and recover, in his name of office, the following sums, from the master of every vessel that shall arrive in the port of New York, namely:

1. From the master of every vessel from a foreign port, for each cabin passenger, one dollar and fifty cents; for each steerage passenger, one dollar.

2. From the master of each coasting vessel, for each passenger on board, twenty-five cents; but no coasting vessel from the states of New Jersey, Connecticut, and Rhode Island, shall pay for more than one voyage in each month, computing from the first voyage in each year.

Sec. 9. Each master paying hospital monies, shall be entitled to demand and recover, from each person for whom they shall be paid, the sum paid on his account.

Sec. 10. Every master of a coasting vessel shall pay to the health commissioner, at his office, in the city of New York, within twenty-four hours after the arrival of his vessel in the port, such hospital monies as shall then be demandable from him, under the provisions of this title; and every master, for each omission of such duty, shall forfeit the sum of one hundred dollars.

IMPORTANT TO BOOKSELLERS.

It is stated in the London Morning Post, that Messrs. Black and Armstrong, foreign booksellers, of Wellington-street, Strand, have addressed circulars to the trade, to inform them of the successful result of a memorial to the Treasury, on the subject of the exports on which drawback is claimed. The Board of Excise has issued a warrant, stating, that in future no objection will be made to the introduction of pens, pencils, inkstands, rulers, sealing-wax, wafers, and other articles of stationery, or of books not entitled to drawback, into packages containing paper or books intended to be exported on drawback, provided that, in the case of stationery, the quantity packed shall not exceed in weight one fifth of the weight of the paper, and in the case of books not entitled to drawback, one tenth of the weight of the drawback books contained in the package in which they are placed, and provided the exporter shall cause to be marked in a legible manner on the outside of each package, in the presence of the packing-officer, the nett weight of each; and the nett weight of the articles or books not entitled to drawback, packed with them; and the tare of the package.

COMMERCIAL STATISTICS.

COMMERCE OF CONNECTICUT, FROM 1791 TO 1838.

Compiled from Official Documents, by S. Hazard, Esq., of the U. S. Statistical Register.

Years.	EXPORTS.			Imports.	Duties on foreign merchandise imported.	Dr'backs paid on foreign merchandise exported.	Registered tonnage.
	Domestic.	Foreign.	Total.				
1791	....	....	710,353	....	214,267	....	18,140 00
1792	....	....	879,753	....	149,162	33	16,523 00
1793	....	....	770,255	....	169,770	1,198	18,015 85
1794	....	....	812,765	....	186,535	376	20,511 59
1795	....	....	819,465	....	168,798	1,796	23,549 91
1796	....	....	1,452,793	....	191,309	33 685	26,045 39
1797	....	....	814,506	....	160,488	30,398	19,634 25
1798	....	....	763,128	....	181,960	37,819	23,549 44
1799	....	....	1,143,818	....	334,870	21,021	31,632 63
1800	....	....	1,114,743	....	204,839	15,748	31,260 39
1801	....	....	1,446,216	....	367,861	15,721	34,465 58
1802	....	....	1,606,809	....	339,870	53,522	24,940 05
1803	1,238,388	10,183	1,248,571	....	350,110	21,402	26,770 54
1804	1,486,882	29,228	1,516,110	....	429,531	47,150	23,683 67
1805	1,353,537	90,190	1,443,727	....	464,592	80,488	29,563 31
1806	1,522,750	193,078	1,715,828	....	478,664	114,715	26,026 37
1807	1,519,083	105,644	1,624,727	....	464,467	114,896	27,071 11
1808	397,781	15,910	413,691	....	254,769	24,314	22,297 87
1809	655,228	11,255	666,513	....	163,684	16,729	21,306 46
1810	762,785	5 858	768,643	....	187,521	8,312	22,671 35
1811	994,216	38,138	1,032,354	....	256,361	3,709	26,502 65
1812	720,805	....	780,805	....	873,829	14,220	29,953 54
1813	968,729	5,574	974,303	....	448,595	24,557	24,241 00
1814	1,042,776	360	1,043,136	....	100,707	....	25,016 54
1815	383,135	....	383,135	....	230,229	35,261	33,472 12
1816	587,007	6,799	593,806	....	347,436	5,595	24,624 62
1817	574,290	29,819	604,139	....	176,837	5,855	21,127 64
1818	574,500	3,064	577,564	....	205,470	5,701	13,499 31
1819	437,851	683	438,534	....	238,190	3,038	14,378 30
1820	415,830	6,101	421,931	....	208,756	1,298	14,341 67
1821	366,180	10,007	376,187	312,090	196,193	2,910	14,084 85
1822	479,353	5,959	485,312	507,094	262,375	1,437	16,419 84
1823	480,941	1,120	482,061	456,463	242,496	6,096	16,258 81
1824	570,634	5,218	575,852	581,510	306,936	5,157	14,558 75
1825	684,686	4,584	689,270	707,478	275,933	10,856	13,084 78
1826	695,454	13,439	708,893	736,194	274,703	6,369	13,351 36
1827	567,100	23,175	590,275	630,004	189,823	12,196	14,704 76
1828	493,925	27,620	521,545	485,174	238,562	1,620	16,814 44
1829	450,985	6,985	457,970	309,538	166,544	29,304	16,916 42
1830	385,610	3,901	389,511	269,583	125,386	20,503	14,989 05
1831	482,073	810	482,883	405,066	113,125	12,433	17,064 43
1832	430,466	....	430,466	437,715	114,528	6,069	21,068 85
1833	427,603	....	427,603	352,014	87,122	3,887	21,805 33
1834	421,419	997	422,416	385,720	83,443	374	24,939 79
1835	487,510	25,460	512,970	439,502	82,742	1,441	26,112 74
1836	431,176	7,023	438 199	468,163	106,521	2,164	27,398 35*
1837	523,103	9,487	532,590	318,849	....	....	28,716 03*
1838	513,610	....	513,610	343 331	....	....	28,451 19*

* Ending 30th of September.

COMMERCE OF THE UNITED STATES.

Value of Exports from each State for ten years, ending 30th September, 1838. Compiled from tables appended to a Report of the Secretary of the Treasury.

Years.	Maine.	N. Hampshire.	Vermont.	Massachusetts.	Rhode Island.	Connecticut.	New York.
1829	737,832	105,740	808,079	8,254,937	390,381	457,970	20;119,011
1830	670,522	96,184	658,256	7,213,194	278,950	389,511	19,697,983
1831	805,573	111,222	925,127	7,732,763	367,465	482,883	25,535,114
1832	981,443	115,582	349,820	11,993,768	534,459	430,466	26,000,945
1833	1,019,831	155,258	377,399	9,683,122	485,481	427,603	25,395,117
1834	834,167	80,870	334,372	10,148,820	501,626	422,416	25,512,014
1835	1,059,367	81,681	328,151	10,043,790	296,003	519,270	30,345,264
1836	850,986	15,520	188,165	10,384,346	228,420	438,199	28,920,438
1837	955,952	34,641	138,693	9,728,190	488,258	532,590	27,338,419
1838	935,532	74,670	132,650	9,104,862	291,257	543,610	23,008,471

Years.	New Jersey	Pennsylvania.	Delaware.	Maryland.	District of Columbia.	Virginia.	North Carolina.
1829	8,022	4,089,935	7,195	4,804,465	928,097	3,787,431	564,506
1830	8,324	4,291,793	52,258	3,791,482	753,973	4,791,644	399,333
1831	11,430	5,513,713	34,514	4,308,647	1,220,975	4,150,475	341,140
1832	61,794	3,516,066	16,242	4,499,918	1,154,474	4,510,650	342,041
1833	32,753	4,078,951	45,911	4,062,467	1,002,816	4,467,587	433,035
1834	8,131	3,989,746	51,945	4,163,245	820,394	5,483,098	471,406
1835	74,041	3,739,275	88,826	3,925,234	517,639	6,064,063	319,327
1836	62,809	3,971,555	74,981	3,675,475	326,871	6,192,040	429,851
1837	44,217	3,841,599	40,333	3,789,917	469,209	3,702,714	551,795
1838	28,010	3,477,151	36,844	4,524,575	373,113	3,986,228	545,223

Years.	South Carolina.	Georgia.	Ohio.	Michigan.	Alabama.	Louisiana.	Florida.
1829	8,175,586	4,981,376	2,004	. . .	1,693,958	12,386,060	56,086
1830	7,627,031	5,336,626	. . .	1,588	2.294,594	15,488,692	7,570
1831	6,575,201	3,959,813	14,728	12,392	2,413,894	16,761,989	30,495
1832	7,752,731	5,515,883	58,394	9,234	2,736,387	16,530,930	65,716
1833	8,434,325	6,270,040	225,544	9,054	4,527,961	18,941,373	64,805
1834	11,207,778	7,567,327	241,451	36,021	5,670,797	26,557,524	228,825
1835	11,338,016	8,890,674	97,204	64,830	7,574,692	36,270,823	61,710
1836	13,684,376	10,722,200	3,718	61,231	11,184,166	37,179,828	71,662
1837	11,220,161	8,935,041	132,844	69,790	9,671,401	35,338,697	90,084
1838	11,042,070	8,803,839	139,827	125,660	9,688,244	31,502,218	122,532*

* For Kentucky, Tennessee, and Indiana, none put down; and for Mississippi, the value for 1837 only, stated at $304,831.

BANKRUPTCIES IN FRANCE.

From the 1st of January, 1839, to the 1st January, 1840, 1,013 bankruptcies were declared for the department of the Seine; viz.: 58 in January, 68 in February, 79 in March, 84 in April, 86 in May, 100 in June, 91 in July, 107 in August, 84 in September, 103 in October, 79 in November, and 76 in December. The total amount of these failures was 60 millions of francs.

VALUE OF EXPORTS FROM THE UNITED STATES,

To each of the following Foreign Countries, for ten years, ending 30th September, 1838. From a Report of the Secretary of the Treasury.

Years.	Great Britain & dependencies	France and dependencies.	Spain and dependencies.	Netherland and dependencies.	Sweden & dependencies.	Denmark & dependencies
1829	28,071,084	12,832,304	6,388,094	4,622,120	957,948	2,311,174
1830	31,647,881	11,806,238	6,049,051	4,562,437	961,723	2,014,085
1831	39,901,379	9,882,679	5,661,420	3,096,609	540,078	2,000,793
1832	37,268,556	13,244,698	6,399,193	6,035,466	515,140	2,207,551
1833	39,782,240	14,424,533	6,506,041	3,566,361	420,069	1,839,834
1834	50,797,650	16,111,442	6,296,556	4,578,739	494.741	1,857,114
1835	60,167,699	20,335,066	7,069,279	4,411,053	602,593	1,780,496
1836	64,487,550	21,441,200	8,081,668	4,799,157	700,386	2,122,469
1837	61,217,485	20,255,346	7,604,002	4,285,767	507,523	1,640,173
1838	58,843,392	16,252,413	7,684,006	3,772,206	355,852	1,299,927

Years.	Portugal & dependencies	China.	Hanse Towns.	Russia.	West Indies generally.	Texas.
1829	322,911	1,354,862	3,277,160	386.226	369,619	....
1830	279,799	742,193	2,274,880	416,575	247,121	....
1831	294,383	1,290,835	2,592,172	462,766	635,627	....
1832	296,218	1,260,532	4,088,212	582,682	562,954	....
1833	422,561	1,433,759	2,903,296	703.805	367,773	....
1834	322,496	1,010.483	4,659,674	330,694	408,643	....
1835	521,413	1,868,580	3,528,276	585,447	450,516	....
1836	191,007	1,194,264	4,363,882	911,013	513,996	....
1837	423,705	630.591	3,754,949	1,306,732	467,557	1,007,928
1838	232,131	1,516.602	3.291.645	1,048.289	339,052	1,247,880

Years.	Mexico.	Columbia.	Central America.	Brazil.	Argentine Republic.	Chili.
1829	2,331,151	767,348	239,854	1,929,927	626,052	1,421,134
1830	4,837,458	496,990	250,118	1,843.238	629,887	1,536,114
1831	6,178,218	658,149	306,497	2,076,095	659,779	1,368,155
1832	3,467,541	1,117,024	335,307	2,054,794	923,040	1,221,119
1833	5,408,091	957,543	575,616	3,272,101	699,728	1,463,940
1834	5,265,053	795,567	184,149	2,059,351	971,837	1,476,355
1835	9,029,221	1,064,016	183,793	2,608,656	708,918	941,884
1836	6,041,635	829,255	189,518	3,094,936	384,933	937,917
1837	3,880,323	1,080,119	157,663	1,743,209	266,008	1,487,799
1838	2,164,097	724,739	243,040	2,267,194	236,665	1,370,264

COMMERCIAL PROGRESS OF FRANCE.

The following statistical notes of the industry of France are given in the *Journal Général*: "In 1819 the quantity of merchandise conveyed in French vessels was only 726,000,000 kilogrammes. In the year 1838 it was 1,206,966,000. In 1819 the duties upon public carriages amounted to only 3,101,358 francs; in 1838 they were 6,200,000 francs. The amount of machinery exported in 1820 was only 216,500 francs; in 1838 it was 3,980,607 francs. In 1818 there was only sufficient cotton machinery in France to spin 16,914,217 kilogrammes of cotton in a year, but in 1838 it had so increased that 51 millions were spun."

COTTON TRADE.

Table showing the equality of prices in Charleston, Savannah, and Havre, laid down at the latter place, with charges as at foot. The charges noticed at the bottom of each table are included in the prices.

CTS.	EXCHANGE.						
	5 10	5 15	5 20	5 25	5 30	5 35	5 40
6	61 10	61 64	62 20	62 59	63 15	63 5	63 84
6½	64 60	65 16	65 75	66 16	66 65	67 00	67 50
7	68 10	68 68	69 30	69 73	70 25	70 65	71 18
7½	71 60	72 20	72 85	73 30	73 85	74 30	74 85
8	75 10	75 72	76 40	76 87	77 45	77 95	78 52
8½	78 60	79 24	79 85	80 44	81 05	81 60	82 19
9	82 10	82 76	83 40	84 01	84 65	85 25	85 86
9½	85 60	86 28	86 95	87 58	88 25	88 90	89 53
10	89 10	89 80	90 50	91 15	91 85	92 55	93 20
10½	92 60	93 32	94 05	94 72	95 45	96 20	96 87
11	96 10	96 85	97 60	98 35	99 10	99 85	100 60
11½	99 60	100 37	101 15	101 92	102 70	103 50	104 27
12	103 05	103 85	104 70	105 50	106 30	107 15	107 95

CHARGES.

At Savannah.—Commission for purchasing, 2½ per cent.; commission for drawing, 1½ per cent.; insurance against fire, 1-6 per cent.; rope, mending, and drayage, 25 cents per bale; insurance over sea, 1¼ per cent.

At Havre.—Freight, 1c. per lb., and 5 per cent. primage; duty, 22 francs for 50 kilogrammes; landing charges, storage one month, and delivery, 2 francs per bale; and all other charges at Havre, including loss of interest, commission, and brokerage, 5½ per cent.; tare bonification, 3 kilogrammes per bale, and ropes at 3.

Remarks.—¼c. difference in the freight, is 1¾ centimes; ¼c. in the price of cotton, is from 1,75 to 1,80 centimes. 100 lbs. at Savannah yield 41,20 kilogrammes at Havre.

N. B. The above table also applies to Marseilles.

Table showing the cost of Cotton bought at Savannah, laid down in Liverpool, with charges, as annexed.

CENTS.	EXCHANGE.					
	5	6	7	8	9	10
8	5 97	5 93	5 88	5 84	5 79	5 75
8½	6 27	6 22	6 17	6 12	6 08	6 03
9	6 56	6 51	6 46	6 41	6 36	6 31
9½	6 86	6 80	6 76	6 70	6 65	6 59
10	7 16	7 10	7 05	6 99	6 94	6 88
10½	7 46	7 39	7 34	7 27	7 22	7 16
11	7 75	7 68	7 63	7 56	7 51	7 46
11½	8 05	7 98	7 91	7 85	7 .78	7 72
12	8 34	8 27	8 20	8 14	8 04	7 97
12½	8 63	8 56	8 49	8 42	8 34	8 28
13	8 92	8 85	8 78	8 71	8 65	8 56
13½	9 22	9 15	9 08	9 01	8 95	8 86

CHARGES.

Commission for purchasing, 2½ per cent.; commission for drawing, 1½ per cent.; insurance against fire, 1-5 per cent.; rope, mending, and drayage, 25 cents per bale; insurance to Liverpool, 1½ per cent.; loss of weight, 5 per cent., from weight paid for to landing weight; freight, ¾d. per lb., and 5 per cent. primage; duty, 5·16 per lb., or 2s. 11d. per 100; landing charges, 3s. per bale; brokerage in Liverpool, ½ per cent.; two months interest and commission, 4d.

Table showing the equality of prices in Liverpool and Havre, for American Cottons.

L'pool.		*Havre.*		*L'pool.*		*Havre.*	
5 d.	equal to francs	70 10	duty paid.	9 d.	equal to francs	120 35	duty paid.
5¼	.. ..	73 30	......	9¼	.. ..	123 60	......
5½	.. ..	76 40	......	9½	.. ..	126 70	......
5¾	.. ..	79 55	......	9¾	.. ..	129 75	......
6	.. ..	82 65	......	10	.. ..	132 95	......
6¼	.. ..	85 85	......	10¼	.. ..	136 05	......
6½	.. ..	88 95	......	10½	.. ..	139 25	......
7	.. ..	95 20	......	10¾	.. ..	142 30	......
7¼	.. ..	98 40	......	11	.. ..	145 50	......
7½	.. ..	101 50	......	11¼	.. ..	148 60	......
7¾	.. ..	104 70	......	11½	.. ..	151 80	......
8	.. ..	107 80	......	11¾	.. ..	154 80	......
8¼	.. ..	111 10	......	12	.. ..	158 05	......
8½	.. ..	114 10	......	12¼	.. ..	161 20	......
8¾	.. ..	117 30	......				

BANK STATISTICS.

BANKS OF BALTIMORE.

The following statements, (says the Baltimore Patriot,) as exemplifying the practical operation of the banking system in Maryland, will, of course, command attention. As regards the relative amount of specie and circulation possessed by the banks, the statement, in its aggregate, shows the Maryland banks to be in a condition which would have been deemed one of undoubted soundness and safety. Their aggregate specie, to their aggregate circulation, as shown by the annexed tabular statement, made up from these returns, is about as one to two. Ten years ago, one to three was generally held to be a safe proportion. The reflection that naturally arises is, that banks which, in a period of suspension, are able and willing to contract their issues and to maintain their circulation at so low a point as two to one, compared with their specie, must be, in the main, conducted with prudence and caution, and are, therefore, likely to deserve the public confidence.

Condensed View of the condition of the several Banks of the City of Baltimore, on the 6th January, 1840.

BANKS.	*Capital.*	*Inv'stment in stocks.*	*Discounts*	*Specie.*	*Circula.*	*Deposits.*
Farmers' & Planters'..	600,425	13,050	803,264	75,852	223,870	179,981
Franklin............	628,070	215,888	905,202	72,056	278,049	443,161*
Comm'cial & Farmers'	512,426	106,761	606,931	121,042	117,485	207,540
Western............	589,050	67,661	740,089	100,295	165,315	93,540
Marine..............	309,220	24,229	383,763	58,201	107,310	109,788
Union...............	1,845,562	880,588	2,053,068	104,689	306,429	769,866†
Merchants'..........	2,000,000	161,874	2,200,753	205,597	178,750	311,324
Baltimore...........	1,199,350	90,140	1,891,900	120,020	280,053	466,192
Mechanics'..........	560,634	114,817	652,235	78,976	228,280	309,796
Chesapeake..........	428,397	41,315	640,634	31,327	122,530	198,115
Farmers & Merchants'	491,950	90,671	500,809	34,357	107,380	35,967
Citizens'...........	333,950	....	405,690	31,350	83,435	39,298
Total.........	9,499,004	1,807,004	11,784,338	1,036,765	2,198,867	3,224,498

* Of which sum, $194,844 is a deposit of the state.
† Of which sum, $366,543 is a deposit of the state.

BANK OF ENGLAND.

Quarterly average of the weekly liabilities and assets of the Bank of England, from the 10th of December, 1839, to the 3d of March, 1840, both inclusive, published pursuant to Acts 3 and 4 William IV., chap. 98:

LIABILITIES.		ASSETS.	
Circulation	£16,678,000	Securities	£23,223,000
Deposits	7,896,000	Bullion	4,271,000
	£24,574,000		£27,494,000

This return shows an augmentation in the currency to some extent. Compared with the last account, there is an increase upon each item—on circulation, £167,000; on deposits, £326,000; on securities, £242,000; and on bullion, £307,000. The actual stock of bullion in the Bank at this moment, is estimated to be about £4,500,000.

INSURANCE.

ANNALS OF INSURANCE IN THE WEST.

The first Insurance Company established in the west, was at Lexington, Kentucky, which went into operation about 1816, but ceased to exist in one or two years. The second was the old Cincinnati Insurance Company, established in 1818, which issued some fifty or sixty policies, and in one or two years closed up its concerns. The third was the old Louisville Marine Insurance Company, which was established in or about the year 1818, and issued two hundred policies or upwards, and some years afterwards wound up its affairs. The fourth is the Cincinnati Equitable Fire Insurance Company, established in 1825, and is now in operation, and conducted on the principles of *mutual* insurance. The fifth was the Ohio Insurance Company, established in 1827, at which period there was no local insurance company in the west, with the exception of the Equitable Fire Insurance Company referred to, the Fire and Marine Insurance being at this period confined to the eastern offices, and their agencies in the west. To those familiar with the history of that period, it will be recollected that for several months pending the establishment of the Ohio Insurance Company, it was exceedingly doubtful whether it could be put in operation, from the difficulty of disposing of a sufficient amount of the stock; but having commenced its operations, its success was decided, and two years afterwards arose, in 1829, the Cincinnati Insurance Company.

These two companies had, by their charters, a capital of $250,000 each. The same year, the Louisville Marine and Fire Insurance was organized, and went into operation, capital, $200,000. In 1830, three new offices were established in the west, viz.: the Louisville Mutual Fire Insurance Company, the Louisville Merchant's Insurance Company, and the Wabash Insurance Company, with an aggregate capital of $100,000. In 1831, two more were added, viz.: the Madison Insurance Company in Indiana, and the Missouri Insurance Company at St. Louis—aggregate capital, $200,000. In 1832, three more were added, viz.: the Firemen's Insurance Company at Cincinnati, the Lansingburgh Insurance Company, and the New Albany Insurance Company in Indiana—aggregate capital $100,000. In 1833, but one was added to the number, viz.: the Franklin Fire Insurance Company, at Frankfort, Kentucky—capital, $100,000. But in 1834, seven new offices were chartered at Warren, Dayton, and Cleveland, in Ohio; at Maysville and at Louisville, in Kentucky; and at Jeffersonville and Rising Sun, in Indiana—aggregate capital, $300,000. In 1835, nineteen additional offices were established, viz.: seventeen in Ohio, and two in Kentucky—aggregate capital, $1,600,000. In 1836, fourteen more were chartered, viz.: eight in Ohio, three in Kentucky, two in Indiana, and one in Missouri—aggregate capital, $1,800,000. In 1837, twenty-two more were chartered, viz.: two in Ohio, seven in Indiana, and thirteen in Missouri—aggregate capital, $4,000,000.

The foregoing enumeration, however, embraces only the offices chartered in the four western states of Ohio, Kentucky, Indiana, and Missouri. No office was established in Tennessee, Illinois, western Pennsylvania, or western Virginia, until 1832, since which, fifteen or twenty companies have been established in these states, with an aggregate estimated capital, $1,500,000. Mississippi and Louisiana have been omitted in the foregoing calculation, as our statistics do not furnish adequate data for the occasion, but we estimate the amount of capital in these two states at, perhaps, $300,000.

Thus, we perceive, that in 1826, twelve years since, there was no local insurance office in the western states, north of Natchez, except the Equitable Fire Insurance Company at Cincinnati; that in 1833, seven years after, there were only twelve, with an aggregate capital of $1,800,000; but that in the four succeeding years, to the spring of 1838, the number was increased to considerably more than one hundred, the whole wielding, in the aggregate, the immense capital of $15,000,000.

STATISTICS OF NAVIGATION.

STEAM NAVIGATION.

Mr. William C. Redfield, of New York, has furnished for publication the following statements relative to steamboat accidents:

The number of miles navigated by steam vessels connected with the port of New York, in five years ending 31st December, 1824, was about 2,827,750, with an aggregate of 4,796,000 passengers; of whom 38, or one in 126,211, lost their lives. Twelve accidents occurred.

During the five years ending at the close of 1833, the estimated number of miles run was 4,216,200, with an aggregate of 9,419,700 passengers. Number of accidents, 5. Lives lost, 62; or one in 151,931.

During the five years ending 31st December, 1838, the estimated number of miles run was 5,467,450; aggregate number of passengers, 15,886,300; number of accidents, 2; lives lost, 8; or one in 1,985,787.

The average number of miles to each explosion the first of the above periods was 235,646; in the second, 843,240; in the third, 2,733,725.

The estimated average pressure of steam used during the first period, was 7 inches; second period, 14 inches; third period, 18 inches.

It appears from the average results of this table, says Mr. Redfield, that during even the first period of five years after the navigation was thrown open to public competition, the ratio of steam accidents was only equal to one, for more than 20,000 trips or passages; and that the average loss of life was only equal to one, for more than 126,000 passengers exposed. Thus, at the fair outset of this noble enterprise, a degree of safety was attained for the passengers, such as may well challenge comparison with any artificial means of transit or locomotion that have ever been resorted to by the human race.

FRENCH STEAM NAVIGATION.

The Courier Français states, that the example of the merchants of Marseilles in subscribing for shares towards the raising of Trans-Atlantic Steam Navigation Companies, has been followed at Nantes, Bordeaux, and Havre. At Bordeaux, it adds, the subscriptions amount to 3,000,000 francs, and at Havre, to 4,175,000 francs. To this we may add, that the chamber of commerce of Bordeaux has summoned a meeting of the merchants of that city, to deliberate on the best means of establishing the line of communication in question; and a committee of five gentlemen has been named in consequence. The commissioners of the subscribers to the Marseilles company are instructed, says the "Temps," to request Admiral Baudin to lend his experience and influence towards the prompt accomplishment of their object.

The Minister of the Marine has ordered to be built, at L'Orient, a steam ship to carry engines of 450 horse-power. It is to be called the *Cuvier*, after the celebrated naturalist, and will be the largest in the French service. Its length will be greater than a three-decker, and it will be sufficiently capacious to carry 1,200 troops.

LIGHT-HOUSE AT THE PENINSULA OF JUTLAND.

The Department of State at Washington has received notice from the Danish government of the erection of a new light-house on the easternmost point of the peninsula of Jutland, called *Fornas*, or *Foreness*, of which the following particulars are communicated, for the benefit of our navigators:

A new light-house has been erected on the easternmost point of Jutland, called *Fornas*, or *Foreness*, projecting into the Kattegat passage, situated five eighths of a Danish mile northeast half east from the entrance of the harbor of Grenade, 7¼ miles west southwest half west from the light-house of Arholt, and 7½ miles northwest and a quarter north from the Island of Hesselder. The light is placed on a quadrangular tower, at the height of 67 Danish feet above the sea, and may be seen at the distance of three and a quarter miles by a person standing ten feet above the sea. The light is given by six lamps, which revolve every three minutes, in such a manner, that the spectator sees every half minute a bright light, which lasts about six seconds, and is invisible for twenty-six seconds following.

MISCELLANEOUS STATISTICS.

TABLE OF REVENUE, EXPENDITURE, AND PUBLIC DEBT OF FRANCE.

RECEIPTS.			EXPENDITURE.	
Direct Taxes.	*Francs.*			*Francs.*
Land Tax	244 873,409		Civil List	18,000,000
Poll Tax	29,400,000		Funded Debt	215,763,242
Personal Estate	35,665,000		Sinking Fund	43,093,621
Doors & Windows.	32,340,000		Guaranties due by Treasury.	9,000,000
Patents	29,818,500		Unfunded Debt	16,000,000
Miscellaneous	1,827,000		Life Annuities	6,200,000
			Chamber of Peers	700,000
Total		373,923,909	Chamber of Deputies	600,000
Registration, Stamps, Domains		193,225,000	Legion of Honor	3,302,417
Felling of Timber		24,000,000	Pensions	58,389,654
Customs		154,300,000	Ministry of Justice	19,469,700
Excise on liquors, tobacco, &c.		171,000,000	Foreign Affairs	7,502,000
Post Office		34,290,000	Religion	34,804,600
Lotteries		8,000,000	Public Instruction	2,575,000
Gaming Houses		5,500,000	Ministry of the Interior	3,380,000
Fines		3,300,000	Commerce and Public Works	123,500,000
Sundry Proceeds		11,047,482	War	307,434,000
			Navy	65,000,000
Extraordinary Resources.			Finances	22,787,500
Balance of 1831	131,467,267		Administration and Collection	
Sale of Wood	50,000,000		of Revenue	118,211,833
		181,467,267	Repayments, &c.	42,989,445
Total Receipts		1,160,053,658	Total	1,097,708,102

CANALS OF NEW YORK.

Statement of the amount of Tolls received on the several Canals of this State, in each year, from the 1*st day of January*, 1820, *to the* 1*st day of January*, 1840. *Compiled from the Annual Report of the Canal Commissioners.*

Year.	*Erie & Champlain Canals.*	*Oswego Canal.*	*Cayuga & Seneca Canal.*	*Chemung Canal.*	*Crooked Lake Canal.*	*Chenango Canal.*	*Total.*
1820	5,437 34	....	....	....	....	....	5,437 34
1821	14 388 47	....	....	....	....	....	14,388 47
1822	64,072 50	....	....	....	....	....	61,072 40
1823	152.958 33	....	....	....	....	....	152,958 33
1824	340,761 07	....	....	....	....	....	340,761 07
1825	566,112 97	....	....	....	....	....	566,112 97
1826	762.003 60	....	....	....	....	....	762,003 60
1827	859,058 48	....	....	....	....	....	859,058 48
1828	835,407 28	2,757 67	279 70	....	....	....	838,444 65
1829	795,054 52	2,439 44	8,643 49	....	....	....	813,137 45
1830	1,032.599 13	12,335 18	11,987 81	....	....	....	1,056,922 12
1831	1.194 610 49	16.271 10	12.920 39	....	....	....	1,223.801 98
1832	1,195,804 23	19,786 20	13,893 04	....	....	....	1,229,483 47
1833	1,422,695 22	22,950 47	17,174 69	694 00	200 84	....	1,463,715 22
1834	1,294,649 66	22,168 02	18,130 43	3,378 05	1,473 40	....	1,339,799 56
1835	1,492,811 59	29,180 62	20,430 11	4,720 44	1,829 63	....	1,548,672 39
1836	1,555,269 37	30,436 20	20,522 92	5.086 38	2,365 51	....	1,614,680 38
1837	1,239,052 49	21,083 56	15.968 86	4,333 80	1,526 58	11,164 51	1,293,129 80
1838	1,516,373 98	27,260 44	18,397 57	4,394 67	2,013 31	20,407 99	1,588,847 87
1839	1,510,785 22	34,162 42	18,747 47	5,187 27	1,721 31	15,778 33	1,616,382 02
	17,830,905 84	247,831 32	177,096 48	27,794 61	11,130 58	47,350 74	18,392,109 57

EXTENT OF THE FISHING INTEREST IN MASSACHUSETTS.

The statement which follows is compiled from the statistical tables published by order of the Legislature of Massachusetts, and indicates the extent of the fishing interest of the commonwealth, for the year ending 1st day of April, 1837. The whale fishery is not included in this account.

Vessels employed in the cod and mackerel fishery	1,290
Tonnage of same	76,089
Number of quintals of codfish caught	510,554
Value of same	$1,569,517
Number of barrels of mackerel caught	234,059
Value of same	$1,639,042
Number of bushels of salt used in cod and mackerel fishery	837,141
Hands employed	11,146
Capital invested	$2,683,176

SILK MANUFACTURE IN FRANCE.

According to a recent statistical statement, there are in France 84,648 looms, producing annually a value in silks of *f*211,540,000, (or $40 000,000.) These looms give occupation to 169,280 workmen, and employ *f*139,623,330 of silk, ($26,118,000.) The price of work is *f*70,926,670, ($13,300,000)—or about *f*300, ($56 25) for each workman. The profit and interest of the capital employed is *f*21,000,000.

The manufactures of Lyons alone occupy 40,000 looms, and employ 80,000 workmen. They produce 100 millions of francs, (near $20,000,000.) The home consumption of France in silks is 73 millions of francs, (14,000,000,) and the exportation is *f*138,550,000, ($26,000,000.)

MERCANTILE MISCELLANIES.

Foreign Importations.—In evidence of the points assumed in the paper on Domestic Industry, (in the present number,) we give, in a separate form, a more minute specification of the articles of foreign importation. That this specification is accurate, may be ascertained from the annual documents which are issued from the office of the secretary of the treasury. From these it may be learned how small a portion of our importations are actually necessary, from the more improved state of the arts abroad, and the cheapness of labor, and how large a portion we might with advantage have produced ourselves, thus avoiding the drain upon our capital, and the influence of that power which is holding down the gigantic energies of our country, like Prometheus chained to the rock.

We import burr stones and sulphur; antimony and clay; rags and bark of the cork tree; undressed furs, raw hides, and skins; plaster of Paris and barilla; dye-wood, mahogany, and animals for breeding; pewter and tin; brass and copper; gold and silver bullion; coffee and teas from India and China; cocoa, almonds, currants, and prunes; figs, raisins; mace, and other spices; nutmegs, cloves, cinnamon, and pepper; pimento, cassia, ginger, and camphor; silks and worsted; lace veils, shawls, and shades, and other manufactures of silks and worsted; camlets of goats' hair and camels' hair; cashmere of Thibet and worsted stuff goods; linens, bleached and unbleached; ticklenburgs, osnaburgs, and burlaps; brown and white sheetings, bolting cloths, and wool; quicksilver and opium; crude saltpetre; cloths, and cashmere, merino shawls of wool, and blankets; woollen hosiery, gloves, mitts, and bindings; woollen and worsted yarn; cotton, white, dyed, printed, and colored; cotton hosiery, gloves, mitts, and bindings, twist, yarn and thread; nankeen, silk piece goods, and sewing silk, from India and from other places; thread and cotton lace; linens, dyed, colored, and checked, and other manufactures of flax; sail duck, and other manufactures of hemp; leghorn straw and chip hats; grass flats and braids; hats of wool, leather, and fur; side-arms, fire-arms, drawing knives, cutting knives, hatchets, axes and adzes; socket chisels, steelyards, and scales; beams and vices; sickles, scythes, spades, and shovels; squares of iron, and wood screws; manufactures of copper and brass, tin, pewter, and lead; cabinet ware, leather, marble, gold, and silver; precious stones, set or otherwise; watches, glass ware, china, and porcelain; earthen and stone ware; saddlery; plated, gilt, japanned, and trimmed coach and harness furniture; carriages; slates, quills, black lead pencils; paper hangings, hair cloth, and hair seating; brushes, copper bottoms cut round, silver and plated ware; raw silk, indigo, and unmanufactured wool; flannels, bocking, and baizes; Brussels, Wilton, and ingrain carpets; floor cloths, furniture, oil cloths, and cotton bagging; Madeira wine, red and other wines of France and Sicily, red sherry of Spain, Austria, Germany, and the Mediterranean; wines from other countries, and foreign distilled spirits; molasses, vinegar, beer, ale, porter; spermaceti and other oil from foreign fisheries; olive oil, castor, linseed, hemp seed, and rape seed; teas from other places than India or China; chocolate; white, brown, and clayed sugar; loaf sugar, sugar candy, other refined sugar, syrup of sugar cane; cayenne pepper; tallow, wax, and spermaceti candles; cheese and soap; tallow, lard, beef, pork, and bacon; butter; saltpetre, and salts; oil of vitriol; snuff, cigars, and other manufactures of tobacco; cotton, gunpowder, bristles, glue, dry ochre, ochre in oil, white and red lead; whiting and Paris white; litharge, sugar of lead, lead in pigs, bars, and sheet; shot; leaden pipes and old lead; cordage, (tarred,) and cables, (untarred,) and yarn, twine, (pack and thread;) corks; copper rods, and bolts; nails and spikes; muskets and rifles; iron and steel ware; tacks, brads, and sprigs; nails, spikes, iron cables, and chains; mill cranks, mill saws, anchors, and anvils; blacksmiths' hammers and sledges; iron castings, round iron or braziers' rods; nail or spike rods; sheet iron, hoop iron, casement rods, slit or hammered iron, iron in pigs, bar iron, old iron, steel, hemp, alum, copperas, wheat flour, salt, coal, wheat, and oats; potatoes; paper, (folio and quarto post, cap, drawing, writing, printing, copperplate, stationers', and sheathing, binders' wrapping, or box boards;) books; apothecaries' vials and bottles; perfumery, and fancy vials and bottles; demijohns, glass bottles, and window glass; fish, playing cards, boots and bootees, silk shoes, prunella, nankeen, leather, morocco, and kid shoes; felt hat bodies, wholly or partly of wool.

COMMERCIAL RELATIONS WITH FOREIGN COUNTRIES.

A report has been published from the Department of State of the United States, in obedience to a resolution adopted by the senate at the last session of congress, showing the nature and extent of the privileges and restrictions of the commercial intercourse of the United States with foreign nations. The Baltimore American furnishes a brief but correct analysis of the secretary's report, from which it appears, that in 1815, congress enacted a law repealing all discriminating duties upon foreign vessels and cargoes, to take effect in favor of any foreign nations, "whenever the president shall be satisfied that the discriminating or countervailing duties of such foreign nation, so far as they operate to the disadvantage of the United States, have been abolished." Twelve nations, viz.: Austria, Brazil, Central America, Denmark, Ecuador, Greece, the Hanseatic cities, Prussia, Russia, Sardinia, Sweden, and Venezuela, have met the proposition in a spirit of liberality. In the ports of all these countries, American vessels, with their cargoes, whether the produce of the United States or not, are admitted on the same terms as the vessels of those countries respectively. If outward bound, they are entitled to the same drawback or bounties on goods exported, as domestic vessels are.

With Great Britain, France, the Netherlands, Mexico, and Texas, our commercial relations are of a more restricted character. These nations severally confine the principle of equality to the *direct trade.* That is to say, Great Britain admits the vessels of the United States into her ports on payment of the same tonnage duties and charges as British vessels, with these conditions: First, that the vessel be built and owned in the United States, and navigated by a master and a crew three fourths of which are citizens of the United States; and second, that the goods composing the cargo be the produce of the United States, which in practice limits the import trade to the direct intercourse between one country and the other. The trade of the United States with the British Colonial possessions is regulated by treaty stipulations or by diplomatic arrangement. In all cases, however, some restrictions are observed, giving an advantage, in general trade, to British bottoms. The importation from the United States of all goods but those of their own produce is mostly prohibited.

France admits the vessels of the United States into her ports on payment of a discriminating duty of five francs, or ninety-four cents, per ton over and above that paid by French vessels. In the importation of articles, the produce of the United States, no difference is made between French and American vessels; but in reference to other articles, the discriminating duty prevails in favor of French bottoms.

In the Java trade, under the government of the Netherlands, the productions of the United States, and of other countries, are admitted at a duty of seven and four fifths per cent.

ad valorem, if imported in Dutch vessels, and fifteen and three fifths per cent. ad valorem, if imported in vessels belonging to the United States.

Chili and the Ottoman Dominions admit our vessels and productions upon the footing of the most favored nations—reserving the privilege of giving a preference to their own. Five Powers, viz.: the Argentine Confederation, Belgium, China, Hayti, New Grenada, Portugal, Spain, the Two Sicilies, and Uraguay, are left free to deal with the commerce and the navigation of the United States as they may think proper, without any other check than our countervailing legislative provisions. With three of them, however, Belgium, Portugal and the Two Sicilies, negotiations are on foot for the conclusion of commercial treaties.

IMPORTANCE OF AFRICAN COMMERCE.

Elliot Cresson, Esq. in a letter addressed to a member of congress, observes, that the important fact stated in Gen. Buchanan's last despatch, that there were then thirty-seven sail of British ships, many of them 800 to 900 tons burden, in the Bonny river, receiving cargoes of palm oil, an article only recently entering into the list of African exports, gives but a faint idea of the native commercial resources of that vast continent. No less than 35,000 tons of this article have been imported into England in a single year—worth, at 9c. per pound, its present value in our market, $7,056,000. Stop the slave trade, says Mr. C., and the export may be increased tenfold. Again, the sugar estates of Western Africa, destroyed by Portugal on the discovery of America, were deemed the finest in the world. Africa may yet afford us an immense supply, as sugar cane is one of her indigenous products. Her native coffee, too, of which twelve or fourteen varieties grow wild in the forests of Liberia, is unsurpassed in quality, and may be raised to any extent. Ship-timber, furniture and dye-woods, of almost endless variety, also abound, and even now are shipped to a large amount. One of my London friends, says Mr. Cresson, told me that in May, 1832, he received eighteen cargoes of African oak from Sierra Leone. Camwood, now worth $90 per ton, may be obtained from our colonies to almost any extent, as soon as roads shall be extended into the interior, and they will be very important to our cotton and woollen manufacturers. Ivory, gold dust, gums, ostrich feathers, drugs, hides, goat skins, cotton, manilla hemp, indigo, rice, corn, pepper, beeswax, (and all the products of the tropics may be added,) would form the basis of a commerce, which, if duly promoted, would probably, within the next twenty-five years, rival in importance the whole of that between us and Great Britain, twenty-five years ago. At the present time, under all the desolating influences of the slave trade, Britain enjoys an immense trade with Africa. One of her commercial houses alone, received returns in three years, amounting to about $1,500,000, principally in gold, ivory, and gums. Another, in Liverpool, realized a profit of £30,000, by a single voyage, from ivory and palm oil. This commerce absorbs a large amount of British manufactures, and though still comparatively in its infancy, is estimated by her writers to afford a clear annual profit of several millions. Mr. Cresson sees no reason why England should enjoy this monopoly; and the trade might certainly be made as important to the Americans as to them. The subject deserves attention.

DUTY ON SALTPETRE.

The importations of several cargoes of *saltpetre*, recently, into the United States, from Calcutta, have given rise to the question, as the article appeared of a doubtful character, whether it was *crude*, or *refined*; the importers claiming it as crude, and the collectors contending that it was *refined*, or partaking of a character other than crude. The

Comptroller of the Treasury, under date of March 21st, 1840, in a circular to the collectors of the customs, thus settles the difficulty.

"From information derived from intelligent officers of the customs, experienced merchants, scientific and practical chemists and manufacturers, and the books treating on the subject, confirmed by personal inspection and analysis, I am of opinion that the saltpetre of commerce, such as is usually brought in bags from India, is not in fact *crude*, a portion of the earthy substance in which it is found being removed by artificial process; and that, on the other hand, it cannot be considered *refined*, within the meaning and intent of the law, it still retaining a portion, greater or less, of the impurities necessary to be removed before it be fit for the use of *refined* saltpetre, or be recognised as such in the language of trade.

"By the act of 27th April, 1816, there was levied upon all kinds of saltpetre, an ad valorem duty of 7½ per centum: the act of 22d May, 1824, levies a duty of 12½ per centum ad valorem, upon all articles not therein specified, and these paying a duty of 7½ per cent. under the act cited. The same act specifies *refined* saltpetre as liable to a specific duty of 3 cents per pound. The act of 14th July, 1832, specifies *crude* saltpetre as exempt from duty: it necessarily follows, that the article now in view, being of an intermediate character, and neither *crude* nor *refined* in the true sense of the terms, is withheld in its general classification with either of the specified articles, and consequently remains by law liable to the duty of 12½ per centum, ad valorem.

A BUSHEL OF GRAIN.

The last Legislature of Indiana passed a law prescribing a uniform mode of ascertaining by weight the quality of the different kinds of grain that shall pass for a standard bushel in that state, as follows: wheat 60 lbs., avoirdupois; rye 46; corn 56; barley 48; oats 33.

DONATIONS TO THE MERCANTILE LIBRARY ASSOCIATION.

The Board of Directors take pleasure in acknowledging the receipt

Of Donations in Books—from Messrs. Wm. Wood; H. W. Stevens, twenty-one volumes; Geo. Zabriskie, Esq.; Mercantile Library Association of Boston; Henry F. Fish; Geo. C. Baker; John Hall; Gulian C. Verplanck, Esq.; H. N. Otis; Isaac Barton; Manuscript Tales in the Persian Language, designed as exercises for the student, from Henry P. Marshall; Common Council, through I. Paulding, fifteen volumes; Edward Henriques; W. H. L. Bogart; W. Richards Noyes; Charles Fox; forty-eight volumes from Hon. John C. Spencer, Gulian C. Verplanck, and A. C. Flagg.

Of a Case of Birds—from S. R. Trowbridge, and another from "A Friend," through A. G. Zabriskie.

Of Oil Paintings;—"Classic Ruins," from Peter R. Brinckerhoff, Esq.; "View of Washington and the Potomac," from Russell H. Nevins, Esq.; "View of Jones's Falls," from W. Brenton Boggs, Esq.; "The Student," from H. H. Elliott, Esq.; an ancient painting, from F. A. Conkling, Esq.

Of "Boydell's Folio Shakspeare Gallery," a valuable collection of plates, from pictures painted for the purpose of illustrating the dramatic works of Shakspeare, by the artists of Great Britain, from Augustus E. Silliman, Esq.

The Board of Directors are desirous of forming a *permanent* gallery of *paintings* and *sculpture*,—the basis of a collection of choice works of art. The above donations of paintings may be considered as an incipient step to this object, of cultivating a taste for the fine arts among our members. This effort to collect the works of art, more particularly the productions of our native artists, will be hailed with pleasure by all the friends of the association. Several of our artists have already given promise of works from their pencils.

HUNT'S

MERCHANTS' MAGAZINE.

JUNE, 1840.

ART. I.—THEORY OF PROFITS.—No. III.

THE sources and functions of capital having been developed, it may not be amiss to consider some of the minor incidents by which this agent of national wealth is distinguished.

While the other two agents of production, land and labor, are commonly fixed, and susceptible of but slow changes by improvement or addition, capital is capable of being suddenly transferred from one country to another, and such transfers are continually taking place from countries in which capital is abundant to those in which it is much wanted and comparatively scarce, either by the sale of merchandise on credit, or by direct loans of money on interest.

The United States have always obtained the use of much English capital, by means of debts contracted by their citizens to the merchants and manufacturers of Great Britain; but of late the amount has been greatly augmented, by means of loans made on the credit of the individual states, or by the sale of the stock of chartered companies; the effects of which borrowed capital have been very differently estimated by different classes of our citizens. According to some, the use of foreign capital is neither economically nor politically wise; and according to others, its use in all situations, and under all circumstances, must be advantageous. Neither of those opinions appear to be well founded, and I apprehend that truth, as so often happens between conflicting theories, will be found on inquiry to be between them.

Let us examine these opinions, and begin with the one that would proscribe the use of foreign capital.

I. From what has been stated in the preceding number, it seems that capital is an agent of production in three ways: which are, by giving employment to those who would otherwise be idle; by giving a more productive employment to those who were previously employed; and by the use of labor-saving and labor-aiding machinery. We have seen that in these ways capital has a *creative* power, and adds to the stock of national wealth not less directly than a piece of fertile land well cultivated, and that the nett revenue of the nation would be as much diminished by the abstraction of the one as the other.

If such be the productive powers of capital, it is obvious that a nation may be a gainer by paying interest for it, if the nett gains it affords exceed the interest; and a little reflection will satisfy us that it may be thus gainful, whether employed in agriculture, commerce, or manufactures. Let us, for instance, suppose a threshing machine to be invented, which, by the saving it effected in labor, would in ten years, besides repaying the cost and interest, yield an annual profit of 20 per cent., and that those machines could be imported from abroad at less cost than they could be made at home. Under these circumstances, a country would evidently be a gainer by borrowing the money to pay for these machines, and that the extent of its gain, during the ten years, would be the difference between the interest it paid and the twenty per cent. it gained. So, in commerce, if any branch of trade would yield a nett profit beyond the interest of money, a community which had not the requisite capital for carrying it on, must gain by borrowing foreign capital for that purpose, to the amount of the difference between the interest paid and the profits of the trade. In manufactures, too, the rule must be the same. In a word, if a farmer may find it more profitable to pay rent for his farm rather than to buy it, the merchant to freight a ship rather than to build or buy one, and the manufacturer to pay an annual rent for his water power rather than to purchase it, and if many can obtain these sources of profit, for a time, and by means of renting, who could not obtain them by purchase, then may a community also draw a profit from borrowed capital which it could obtain in no other way.

In all these cases of employing capital profitably, it would be better, unquestionably, if it could be procured at home; but there are few countries which have as much capital as they can employ with advantage; and where that is the case, they are reduced to the alternative, when they embark in any new enterprise of profits, either to withdraw the requisite capital from some other business, or procure it from abroad. In this case it may be far more advantageous to pay interest for foreign capital.

These principles lie so near the surface, and are so familiar to all men of business, that they would not have been thus dwelt upon, if the practice of allowing foreigners to be shareholders in our banks, and other joint-stock companies, had not occasionally been denounced by some of our politicians, as if there were any material difference between these modes of obtaining the use of foreign capital, and those lately pursued of making sale of state bonds, or directly negotiating a specific loan. It is true, that where foreigners are permitted to be shareholders, they are commonly also allowed to vote by proxy; but as the persons for whom they vote must be citizens, as their proxies are residents, and may be required to be citizens too, and as such foreign proprietors cannot easily be actuated by any other motive than to advance their pecuniary interest, which is also the main, or rather sole interest of the corporation, the permission seems to afford no ground of apprehension or objection to the most sensitive national jealousy. Even in Great Britain, whose laws breathe a much less liberal spirit than ours towards foreigners, they are freely permitted to share in the profits of banking, as well as in those of every other branch of commerce, and the only restriction in the law establishing the bank of England, relative to this subject, is, that the governor, deputy governors, and directors, must be natural born or naturalized subjects. It may be farther remarked, that as the foreign shareholders with us always have been, and, in the nature of things, are always likely to be, a minority, and relatively a small minority, and as for greater security they may, by the terms of the charter, be prevented from exceeding a certain proportion of the whole number of stockholders, we have in these foreign shareholders some additional pledge for the justice and respect of their respective, while the whole power possessed by the corporations is exclusively exercised by our own citizens. Supposing, then, the objection founded in political jealousy to have no solid foundation, there remains only that of drawing an annual tribute, as it has been invidiously called, from the country by way of dividend, and which is essentially the same as that objection which has been made to loans contracted abroad, and which has already been fully answered.

II. But still it must not be forgotten, that the benefits of foreign capital depend upon the uses to which it is put; and that it may be so used as not only to be of no national advantage, but even to be a source of national loss.

The amount of capital which any country can advantageously employ depends on its population; their industry; their skill in the useful and mechanical arts; and on the capital it has already acquired. As the numbers of a people increase, so must also their capital, or their condition must deteriorate; and it is according to the natural progres of society, for capital to increase much faster than population. Where, indeed, there are no strong counteractions, it continues to increase after population is stationary.

But under all circumstances, there must be a certain proportion between the number of operatives in a country, and the capital which is to give them employment; and if, by any means, the capital be so increased as to exceed this proportion, the excess becomes either inactive or unproductive, and is but too probably wasted and consumed.

Capital can, in no mode of employment, be productive, without the concurrence of human labor. In the mode in which labor is least required —in labor-saving machines, as the steam engine—the supervisive and concurrent agency of man is indispensable. Nor can those engines be furnished with the raw materials on which they are to operate, nor can the articles which they have assisted in manufacturing, be conveyed to the consumer without a yet greater expense of human labor. The numbers, then, of a community must be taken into account, in our estimate of the benefits it is likely to derive from any new accessions of capital; and that amount which would impart a healthy activity to the trade of a town of one hundred thousand inhabitants, would, in one of twenty thousand, if retained, either remain comparatively idle, or find employment only in stimulating consumption.

The field for the useful employment of capital, in any community, is also greatly affected by the *industry* of its population. The more active and energetic are the inhabitants of a country, the greater must be their agriculture, their commerce, or their manufactures, according to the particular direction their industry takes, and consequently the more capital they can use in the various forms in which their employments severally require it, whether it be in farming stock or provisions, in ships or merchandise, in raw materials or machinery. On this account the slaveholding states cannot use as much productive capital, in proportion to their gross population, as the free states, inasmuch as a large part of the proprietors of slaves is comparatively idle, or at least unproductive of material wealth. Among several reasons why more capital can be used in England than in Ireland, the greater industry of the English population is one. That this difference may be traced to moral causes, there can be no rational doubt, but the fact itself is equally certain. There is the same difference between the people of France and Spain.

Climate seems to have great influence in determining the amount of human industry, and as yet the world has afforded no instance of an industrious community within the torrid zone, where the labor was not produced by compulsion. The island of Hayti, when it was a colony of France, and cultivated by slaves, exported more sugar than any colonial possession in the West Indies, but since its emancipation it does not make quite enough for its own consumption. The same consequences will finally result in the British West Indies; and judging from all past experience, we may as soon expect to see an active, intelligent, and ingenious people, in the heart of Africa, with all the stimulants and aid they can derive from their civilized instructors, as that the Scotch people will relapse into the ignorance and barbarism of the ancient Picts, their ancestors. In a word, the inhabitant of a cold country is constitutionally active, while that of a hot one is constitutionally indolent, and this law of man's physiology mainly contributes to determine the amount of capital he can acquire or employ. Perhaps no part of the United States is within the limits of this physical incapacity.

The amount of a nation's industry is also greatly affected by moral causes. It is greatly encouraged by good government and good laws, by which every one is free to use his labor, talents, capital, and credit, in the way that he deems best, and is permitted to enjoy what he has earned. It is to the want of this blessing that the characteristic indolence of the Turks may be attributed. The want of industry among the people of Spain, of Naples, and some other parts of Europe, may also be attributed to the defects of their government. Nations, too, habitually industrious, may have their labors suspended or relaxed by temporary causes. Thus, wars, embargoes, and interdictions of trade, may, for the time, throw one half of a nation out of profitable employment, and occasionally an epidemic frenzy for speculation may divert a large proportion of the community from the pursuits of productive industry. Pestilence may obviously produce the same effect; and whatever lessens industry, whether the cause be temporary or permanent, must proportionally narrow the demand for capital, as an agent of production.

The *skill* of a nation, too, comprehending both practical science and manual expertness, tends to enlarge the field for the employment of capital. By the discoveries and improvements they make, new wants are created, and new gratifications afforded; but they can be afforded only by the aid of capital. It is true, that some employments of ingenuity and skill require a very small amount of capital, as, for instance, the arts of painting, sculpture, engraving, the manufacture of lace, cutlery, and indeed all the nicer manufactures of the metals, but these are cases of exception; and it will be found, in general, that every addition to a nation's productive skill and ingenuity tends to put in requisition a farther amount of capital. Let us, for example, suppose that the fabrics now made at Lowell, or in Rhode Island, were imported from England, and that the operatives there employed in manufactures were employed in the simpler pursuits of agriculture and commerce, (supposing them to receive the same reward for their labor,) they would not employ near as much capital at present. The additional capital they would then require for agriculture would be for the purchase of the tools, carriages, and other farming stock; and that which would be required for the additional commerce this created, would be the shipping required for the transport of the agricultural produce abroad, and of the foreign commodities received in exchange for them; but the aggregate amount of the capital thus demanded for agriculture and commerce, would be small compared with the amount which is now expended in the cost of the numerous manufactories of cotton and woollen goods, and of its machinery, and in the purchase of the raw materials. When we consider that the fixed capital employed in the two places mentioned was, nine years ago, about twelve millions of dollars, and that the cotton manufactured was more than twenty millions of pounds, (equal to seventy thousand bales,) it can scarcely be doubted, that the whole capital which those manufactories require, must be from three to five times as much as would be required by the same number of hands distributed, in the ordinary proportion, between the employments of agriculture and commerce.

The effect of thus employing domestic skill and ingenuity instead of relying on that of other countries, may indeed eventually save capital as well as labor, but it adds very greatly to the first outlay. We may form some general notion of the difference of capital required to fabricate those manufactures at home and to procure them from abroad, by the fact that the tonnage of our ships employed in foreign commerce is about 850,000 tons, which, at $50 per ton, is worth $42,500,000, while their imported cargoes are worth about three times that amount, and that the establishment of the manufactories necessary for their production would necessarily require an outlay of many times their value.

Without doubt, every country adopts, as it ought to do, that mode of procuring the commodities it consumes which is the cheapest, whether it be to fabricate them for itself or to import them, but it may easily happen that it could fabricate some things at a yet lower price than it can import them, if it possessed the requisite skill; but when this was acquired, many of the articles could not be fabricated at home without a large expenditure of capital in establishing their manufacture.

There is, lastly, one other circumstance which affects the amount of additional capital which a community can advantageously employ, and that is, the amount it has already accumulated. If its capital has advanced at an equal pace with its population, industry, and skill, it can receive no farther addition without proportionably lowering its rate of profit. If, however, its savings of capital have not equalled the demands for it, created by an increase of numbers, activity, and intelligence, then a farther supply, equal to the deficiency, may find employment at the same rate, or nearly the same rate, as that previously employed.

In all infant colonies, and newly settled countries, there must necessarily be a deficiency of capital, not so much because the settlers are not wealthy, but because that amount of capital which they require in this new residence it was physically impossible to carry with them. Tools, utensils, clothing, and a temporary supply of provisions, is all that was capable of distant transport; but the more costly, and no less desirable conveniences, of houses, barns, mills, bridges, roads, orchards, gardens, fences, they must necessarily leave behind; and they can be obtained only after a long course of patient labor, during the progress of which, the colonists are required to provide not only food and raiment, but materials for that foreign commerce to which they must yet look for a supply of such articles as the new settlement does not yet furnish. And, although with the choice of the best land, an industry always goaded to exertion, and a consumption necessarily frugal and plain, capital rapidly accumulates with them; yet by the natural increase of their numbers, aided commonly too by migration, the demand for fresh capital still keeps in advance of the supply, and a long period may elapse before the two may approach a state of equilibrium. Such has been the history of all the English colonies on this continent. Such is the present condition of the settlements in New Holland, and such are the circumstances which characterize our frontier settlements in the west. It may then be laid down as a general rule, that every newly settled country, and every rapidly increasing country, has a deficiency of capital compared with its field of profitable employment.

We have seen, in our former inquiries on this subject, that as the amount of capital augments in proportion to the population, its rate of profits diminishes. It is, however, clear, that the greater the amount of capital accumulated in a country, the greater can be the addition to it, without materially lessening its profits, and the more the amount can be diminished without enhancing its value; just as the larger the reservoir, the less will it be affected by the addition or deduction of a given quantity.

Such appear to be the circumstances, moral and statistical, which determine whether additional capital could be profitably employed in a country, and to what extent; and one might as soon expect to fatten an animal in a shorter time, by giving it more food than it could digest, as to add to the wealth of a country by the use of capital beyond the amount which its condition, in those particulars, actually requires.

Let us now apply the preceding principles, and see how far they justify one country in borrowing money or capital of another on interest.

It is obvious that the answer to this inquiry must depend on the difference between the annual profit derived from the borrowed capital, and the annual interest paid for it. If, for example, the interest is five per cent., and the profit is ten per cent., the national gain from the loan is five per cent. This gain, however, must be exclusive of all risk; of the expense and loss incident to the transfer of capital from one country to another; and of all charges of management.

The profit afforded by the employment of this additional capital depends evidently on the uses to which it is put, as well as those circumstances which afforded it a field for profitable employment. Of the various purposes to which it may be put, let us, for the purpose of illustration, consider the five following principal modes, namely: 1. In making a canal or rail-road. 2. In commerce. 3. In manufactures. 4. In agriculture. 5. In banking. There is scarcely a purpose to which foreign capital can be profitably employed which will not range itself under one of the preceding heads.

1. *Capital invested in canals and rail-roads.* The benefit which these

public works may render to a nation is two fold: first, in the excess of their dividends over the interest on their cost; and secondly, in the additional value they give to the lands whose produce they more cheaply transport to market, and in the additional trade they give to the cities and towns with which they communicate. These two sources of advantage are entirely distinct; and it may easily happen that a canal or railroad yields a nett profit of but three per cent., or half the ordinary interest of money, to the shareholders, and yet is profitable to the community. Suppose, for instance, the work cost five millions of dollars, in which case, estimating money to be worth six per cent., a permanent dividend of but three per cent. is equal to a loss of one half the capital, or of two and a half millions. If, however, by facilitating the transportation of commodities to market, it raise the annual profit of the lands thus accommodated five millions, the community is benefitted by the difference on two and a half millions. This may seem to some a great addition to the yearly value of the neighboring lands; yet, when we recollect how large a part of the labor of every country is expended, not in the business of producing, but in that of transporting what has been produced to market, and that the public works in question so greatly reduced the cost of transportation, we can readily see how large an addition they may make to both the annual and the fee simple value of the lands of the adjoining country. Again: they cause the transportation of articles which could not previously defray the cost, and thus increase the materials of trade in the towns, besides cheapening most articles of their consumption. A portion of these benefits may indeed be at the expense of smaller towns and of the lands in the immediate vicinity, but the last is commonly but temporary, as the advantages which the country near a large city derives from its growth, have been found more than to compensate the loss arising from the competition of more distant rivals. Though New York now draws from a distance a part of the supplies for which, before steam navigation and the Erie canal, she was dependent on lands near the city, those lands have continued to advance in price.

But the profit afforded to a country by its canals and rail-roads is subject to great deductions. Besides the first cost, the annual repairs and expense, especially on rail-roads, are considerable. While they are in progress they yield little or no return, and in the mean time, they have withdrawn a part of the labor of the country from other productive employments. They sow the seed of a crop of which, the harvest is not likely to be reaped in many years, and which, when reaped, may not repay the seed, and still less compensate the long interval of unproductiveness. By far the larger part of the money the states have borrowed in Europe has been expended in this species of improvement, and while some of them have proved very profitable investments of capital, there are others which, it is to be feared, have destroyed more than they have created.

2. *Capital invested in commerce.* Whenever goods are purchased abroad on a credit, they constitute so much foreign capital lent to the country. The debts contracted in this way do not indeed bear interest until after the time of payment has elapsed, but the excess of price beyond what similar goods may be purchased for in cash, is probably more than equal to the ordinary interest. English capital to a large amount is lent to American merchants in this way, and of course a cor-

respondent amount of domestic capital is disengaged, and free to be employed in any other branch of commerce, or other profitable undertaking. A part, which is thus crowded out of the mercantile arena, may find a suitable field for profit in ships, in steamboats, in warehouses, and other city improvements, and in manufactures. In general, foreign capital will not be borrowed unless it is profitable to borrow it. When there is a speculating spirit abroad, as is apt to be the case after an unusual course of national prosperity, it may extend to those branches of foreign trade which are supported by foreign capital as well as any other; and more foreign capital may be borrowed than is wanted, or is profitable. The wealth of the community is consequently diminished, not merely by the interest paid, but by that part of the domestic capital which is sunk with the foreign, in the wide spread wreck of fortune by bankruptcy. The mischief may be heightened by a temporary redundancy of money in the creditor's country; and such was the relation between England and the United States in 1835 and 1836, and which was followed by the catastrophe of 1837.

3. *Capital invested in manufactures.* Without doubt foreign capital thus invested may add as much to the national wealth as in any other employment, if it establishes no manufactures but such as are suited to the circumstances of the country—to its population, its skill, its business habits, and its facility of procuring the raw materials—such indeed as might be expected naturally to spring up in no long time, without such fostering aid; but where their growth is forced by the hot-bed process of legislation, there they are not likely to afford a profitable employment even to the borrowers of foreign capital, to say nothing of the loss otherwise occasioned to the community. Under the encouragement which the tariff of 1824 and of 1828 gave to manufactures, numerous establishments for the manufacture of cotton, wool, and iron, shot up like mushrooms, unsupported by the prudence, or experience, or capital required to insure success, and the consequence was that they soon failed, besides having injured their well-conducted rivals. This was the history of many cotton and woollen factories in the New England states, and of iron works in New Jersey. A great waste of capital was occasioned in this way, but little of it is believed to have been obtained from abroad. Indeed, of all the modes in which the foreign capital we have borrowed is used, that of manufactures employs the least.

4. *Capital invested in agriculture.* It is but to a small extent that additional capital can be employed in agriculture in the northern or middle states, except in raising wool, or in the grazier's business, or occasionally in cultivating on a large scale, and little or no foreign capital has taken these directions. In the southwestern states, however, capital can be used to procure additional labor by the purchase of slaves from the Atlantic southern states; and when the price of their great staple, cotton, is high, as such an investment of capital promises extraordinary profits, and does at first yield them, it holds out the strongest temptations to borrow it. Those states have fertile unoccupied land in abundance—their population in no state south of Tennessee much exceeding five or six to the square mile—nothing, then, is wanting, but labor, to make it yield the richest return; and that labor money can readily procure. Money, therefore, to a large amount, has been borrowed in the cotton-growing states for this purpose.

But two consequences resulted from these investments, which, although according to the ordinary course of things, were not foreseen at the time, and which have not been fully appreciated since. One of these was, that the great additional demand for slaves raised their price to more than double its former amount, even in the states in which they were bought. The other was, that the great addition that was thus suddenly made to the quantity of cotton produced, lowered its price in the general market of the world. The quantity raised in the United States had increased, in the interval between 1824 and 1835, from five hundred and sixty thousand bales to one million three hundred sixty thousand seven hundred and twenty-five bales, when it was supposed to reach one half the quantity made in the world. It was morally impossible for so large an addition to the quantity to find a vent, except by reducing its price, so that it could be applied to new purposes and be more liberally consumed. The capital thus vested in slaves increased the cost of producing cotton while it lowered its price, and those who had borrowed it were totally unable to extricate themselves from debt by the cultivation of cotton. The price of open land and improved tracts was greatly augmented by the same eagerness to extend the cotton culture, and by reason of the subsequent fall of price in cotton, slaves, and lands, many who had confidently expected to acquire fortunes by the aid of borrowed capital, not only sunk that capital, but with it all the property they previously possessed.

5. *Capital invested in banking.* In those states in which they had a deficiency of capital by reason of their having been recently settled, and their rapid advancement, they endeavored to remedy the inconvenience by the establishment of banks, by the aid of capital obtained from abroad. By this expedient they considered that the money borrowed would be more efficient; and many, in their inexperience, fondly believed that their currency would thus be doubled or trebled in amount.

The benefit arising from this use of borrowed capital would evidently depend upon the uses which was made of the money borrowed of the banks. Of that which was borrowed by the southwestern states, amounting to upwards of forty millions of dollars, a large part was expended in the purchase of lands and slaves, which, as we have seen, proved generally an unprofitable, and often a ruinous investment.

Nor was this all the mischief. While men's hopes were high of soon realizing fortunes, they naturally fell into habits of expense better suited to their expected than their real condition; and thus the consumption of foreign luxuries in dress, furniture, equipages, was prodigiously increased. It would often happen, too, that these habits would continue, when the dreams of wealth which had given rise to them had passed away, and in defect of other means, be kept up on borrowed funds until credit was exhausted. In this way, no small part of the capital transferred to the southwestern states from Europe, or northern capitalists, has been irrevocably lost.

If we apply the preceding doctrines, concerning the use of foreign capital, to the loans which have been obtained from Europe by the several states, and the amount of which is far less than the president, in his last annual message, seems to suppose, it will be found that a part of it has been usefully employed in the construction of rail-roads and canals; that a part has been of dubious benefit in the same way; and that most of that which has been employed in banking will be found not to have increased the value produced in the nation, whilst it has greatly increased its consumption; and we are almost brought to the conclusion, that there can be no sudden and large transfer of capital from one country to another, except by the exchanges of commerce, without doing mischief, always to the country from whence it is withdrawn, and not seldom to the country to which it is sent.

The principles which have been maintained in the preceding remarks will now, in conclusion, be briefly recapitulated. They are,

That capital may add to the wealth of the nation as certainly as a fruitful soil in a benignant climate, by either giving employment to the idle, or by transferring industry from one employment to another more productive, or by creating substitutes for human labor. But that unless it acts in one of those ways, the *use* of it does not add to the wealth of a country.

That if it acts in any one of those ways, it is quite immaterial whether it be procured abroad or at home. It will be most advantageous for the nation to use that capital, whether foreign or domestic, which can be procured at the lowest interest. But that even where the use of capital may be at first advantageous, the benefit may bear the seeds of its own destruction; and it should always be inquired, whether the benefit is permanent, or may be only temporary—whether its employment is likely only to enrich some at the expense of others—or whether it promises a creation of new values.

And, lastly, that it is better for every new employment of industry and capital to be engaged in by degrees, than by sudden and violent changes.

Art. II.—CAUSES OF UNSTEADINESS OF THE CURRENCY, AND THE REMEDY THEREFOR.

NUMBER II.

WHAT ARE THE CAUSES OF UNSTEADINESS?

Prices are dependent upon the relation existing between the amount of property of every description in which the owners of unemployed capital may invest it, and the amount of *capital seeking investment*, and constituting *currency*. The latter may be, as we have shown, dependent in a great degree upon the will of individuals, enjoying the power of raising or depressing prices, as fear, ignorance, or selfishness, may influence them.

Wherever power exists there is danger that it will be abused; and the greater its amount the greater is the danger. Men accustomed to dictate to their fellow men, learn to regard as just and necessary measures that are calculated to destroy the happiness of those around them, when in reality they are uncalled for, except for the gratification of their own selfish views and feelings. Napoleon seems to have persuaded himself that his measures were dictated by a regard for the interests and prosperity of France, whereas almost every man will now agree that his motives for their adoption were purely selfish. Even where no such feeling exists—where men are actuated by the purest motives, and have the strongest desire to do right—there is great danger to be apprehended from ignorance. No mistakes, it has been said, are so dangerous as those of men of genius. Such men acquire power to influence the action of the community, and if their views chance to be erroneous, they inflict injury that years, and perhaps centuries, can scarcely repair; as witness the vast debt of Great Britain, the consequence of an unnecessary and wasteful war of more than twenty years.

In nothing, except the single question of peace or war, is it so dangerous to invest individuals with power, as in regard to the currency, and therefore it is in the highest degree desirable to find the system that is most nearly self-acting: that which affords the least scope for the exercise of caprice, and is least likely to be affected by panics, whether produced by the apprehension of political changes, the failure of crops, or the desire of promoting individual interests. With a view to ascertain what is necessary to secure such steadiness, we will now inquire, what are the causes of the variations that are observed.

Every exchange of labor, or of its products, for money payable on demand, places at the command of the laborer, or owner, a certain amount of capital for investment, or re-investment, and enables him to appear in the market as a purchaser of commodities, or property. His labor, or his property, has taken the form in which it passes *current* in all exchanges.

If the investment take place at once, no change is produced in the currency; but if not, the amount thereof will be increased or decreased, according to the course of action adopted by the person who receives, or becomes entitled to receive, money, as we shall now show:

I. A farmer sells his wheat to a storekeeper, and invests the proceeds in the purchase of supplies for his family, and machinery for the improvement of his cultivation. He has converted his produce into money, or a claim to receive money on demand, which he has exchanged for sugar, coffee, ploughs, and harrows; and the owners of these commodities have obtained money, drafts, or notes in exchange. The currency is unchanged in amount.

II. Instead of investing it in this manner, he purchases with it the note of the storekeeper, or that of his neighbor, or a share of stock in a neighboring bank, or a few acres of land—paying to the owners thereof the money he has received. The amount of the currency is, in this case, also unchanged.

III. Unwilling to invest it in any of these forms, he claims the amount in gold or silver, which he deposits in his cellar. Here a *diminution* of the currency is produced.

IV. Instead of placing it in his cellar, he takes it to a neighboring banker, and deposits it with him for safe keeping, while he is seeking the means of securely investing it. The banker charges nothing for his trouble, calculating upon being indemnified by the interest he may derive from its use while the owner leaves it unemployed. He purchases securities with it. Here are two persons who have equally *the power and the will* to contract for the delivery of the same money. To the extent that this double power is exercised over this and all similar deposits, *the currency is doubled.* A, the owner, is in the market, acting as if he had money in his pocket, when it is really in the pocket of C, to whom the banker has paid it in exchange for his note or promise to return it to him at some future time. Both have *capital seeking investment.*

In the first and second of these cases, the currency is unchanged, and no alteration of prices is produced. In the third, the currency being reduced, prices tend to fall. In the last, prices tend to rise, producing a constantly increasing difficulty of investing capital profitably, with an equally constant tendency to an increase in the amount of unemployed capital, for which the owners are seeking investment. That such must be the case, will be obvious to the reader, when he sees that the banker is enabled, by the use of A's money, to purchase the notes of C and D, the very securities, perhaps, that A himself would most desire to obtain; or C and D, having obtained the use of his money, are enabled to hold *against him* the houses or the stocks that he most desires to purchase, and thus to raise the price. Were A now to demand a return of his deposit, the currency would, by this act, be reduced to its original amount. The bank would be compelled to sell the notes which it held, or to require payment thereof, and to meet this demand, C and D would be obliged to sell their houses or stocks. In either case, A would be enabled to obtain the securities or property that he desired, and the price would be proportioned to the diminished amount of the currency.

The mode in which a surplus of uninvested capital placed on deposit with persons who are permitted temporarily to use it, tends to increase the currency, has been so little observed, and is generally so little understood, that we shall, perhaps, be excused, for devoting a little more space to its illustration. In doing so, we will assume that both parties throughout make investments, or desire to do so, in the same species of security.

A, receives on Monday $100,000 in specie. He deposits it in a bank, until he can find a mode of employing it. Five per cent. state stock is at par, and he desires to avail himself of the first opportunity of purchasing. The bank, having $100,000 placed at its command, orders its broker to invest $80,000 in state five per cents. *Here are two competitors for the first lot that is brought into market, both desiring to use the same capital;* and the consequence is, that the price advances to 101, *the purchase being made by the bank, which can best afford to give a good price, as it pays no interest.* A has still 100,000 to invest, although $80,000 of it has been paid out to sundry persons in exchange for stocks.

On Tuesday, B receives a similar sum, and the same operation is performed. The bank invests $80,000, and stock now rises to 102, *because of the vigorous competition between the agents of the owners and of the bank.* An original capital of $200,000 has given to sundry persons the power to contract for the delivery of $400,000, and they exercise it to such extent as to produce the same effect upon the market, as if the real amount of capital seeking investment, were $360,000; that is, A and B have 200,000 of capital which they are anxiously seeking to invest, while four fifths of the coin received has been paid out and is now circulating in the community, the possessors having both the power and the will to apply it to the purchase of property of any description.

During the rest of the week, C, D, E, and F, receive similar sums, and at the close of it the deposits have been increased $600,000, of which the bank has invested $480,000 in stocks, in payment for which she has issued that amount in the silver received from her customers. The operations of the week have tended to add $1,080,000 to the currency; whereas, *had the parties who received the various remittances, kept the money in their own hands until their broker purchased stock for them, and then paid it out therefor, the increase could have been only* $600,000.

Let us now suppose that the owners claim a return of the money they have deposited. At once the reverse operation has to be performed. The bank is compelled to exchange stock for silver, to be delivered to its depositors, who retain it in their own hands. The currency is reduced to $600,000. Instead of this, let us suppose that the bank, finding it somewhat difficult to obtain the specie it had paid out, transfers to the depositors the $480,000 of stock it has purchased. The reduction of the currency is instantaneous, because $480,000 of uninvested capital at once becomes invested. Prices fall as much as they had previously risen. A third course would be for the bank to add the $600,000 to its capital, and create certificates of stock for the owners. Here the same effect would be produced. Prices would fall, because of the increase in the amount of investments, and consequent absorption of the uninvested capital.

What is true of the six persons, and the single bank, here referred to, is equally true of a large community, with numerous banks. The accumulation of an extra million of dollars of unemployed capital in the banks of New York, enables those institutions to purchase an extra million of securities, in opposition to the owners of the money with which it is done, who are endeavoring to invest it. Money is said to be plenty, because one million is performing the operations of two millions. Prices rise, and interest falls. It becomes more difficult to make investments, and the deposits rise to two millions, which now perform the duty of four. By and by, with the constant increase in price of securities and of real estate, unattended by a corresponding increase of income, the rate of interest falls so much that the deposits rise to ten or twelve millions, nearly all of which is lent out by the banks, and thus is produced *a currency*—or apparent amount of capital seeking investment—of more than twenty millions, out of an original *capital* of twelve millions. The banks use it, and the owners try to use it. Both have the power and the will to do so, and both contribute to the daily augmentation of prices, until the crisis arrives, when it is discovered that the apparent twenty millions are really only twelve, or perhaps only ten. The capitalist, who has suffered under the constant reduction of interest, is now enabled to obtain two or three per cent per month, and the poor man, who has built or bought houses with borrowed capital, is ruined. Banks no longer make large dividends at the expense of the capitalists, and fortunes are no longer accumulated by speculators.

We think the reader will now be prepared to admit, that,

I. The more perfect the security of person and property, the smaller will be the tendency to hoarding money, and the less will be the tendency to variation in the amount of the currency from diminution that is liable to be followed by expansion.

II. The more perfect the freedom with which capital may be employed, the less will be the tendency to its accumulation in the form of deposits with banks and individuals, to be used by them while wholly, or comparatively, unproductive to the owner, and the less will be the tendency to variation in the amount of the currency from expansions, that must be followed by contractions.

III. That the most unsteady system must be that which tends to promote the accumulation of uninvested capital, deposited in strong boxes or cellars, productive of no advantage to any portion of the community; or with banks or bankers, yielding little or no return to the owner, while the person or persons intrusted with its safe keeping are lending it out for their own benefit.

IV. That the most steady must be that under which uninvested capital least tends to accumulate, and in which there is the least cost of management—the least friction of the machinery—between the owner and the employer of capital.

It is usual to attribute fluctuations in the value of the currency to variations in the quantity of the machinery of exchange employed; to wit, in the amount of specie and bank notes kept in circulation. We think our readers may satisfy themselves, and perhaps from their own experience, that it is not usual for any persons to retain about their persons, or in their houses, a larger quantity of bank notes at one time than at another. Whenever they own more money than they want to use, they place it somewhere for safe keeping, and most generally in banks, where it remains on deposit until wanted.

The *circulation* that can be maintained is very nearly a constant quantity. Thus, in Massachusetts:

The *nett* amount at the close of 1836, when excitement was at the highest, was	$7,464,000
In October, 1838, when the banks had resumed payment,	7,052,000
In November, 1839, when prices had fallen to their lowest, ...	6,104,000

From December, 1833, to December, 1836, the highest circulation of the Bank of England was	£17,361,000
And the lowest	16,564,000

From December, 1833, to September, 1836, the highest circulation of the Private and Joint-Stock Banks of England was	£12,202,000
And the lowest	10,152,000

The combined circulation of the Private and Joint-Stock Banks of England, in the two last years of extraordinary fluctuation, has been as follows:

1838.	January, ...	28,770,000
	April, ...	29,913,000
	July, ...	30,792,000
	October, ...	31,129,000

1839.	January,	30,694,000
	April,	30,630,000
	July,	30,376,000
	October,	29,044,000

The greatest variation in these years has, therefore, but little exceeded eight per cent.

Great as has been the change of prices in the United States in the last two years, the variation in the circulation of New York has been but about ten per cent.

The reader will now, perhaps, be prepared to agree with us in the assertion, that *the circulation* that can be maintained in a community, undergoes so little variation in amount, that it would be in vain to look in that direction for the causes of the violent changes that are observed.

Cases of great *apparent* variation do take place, and the observer may be deceived, unless he examine carefully all the circumstances attending their occurrence. Thus, in February, 1826, there was an extraordinary increase in the circulation of the Bank of England, arising out of the substitution of the notes of that institution for those of many of the country banks which had failed, or were likely to do so, and of £1 notes for gold in circulation. Again, in times of great excitement, similar to the year 1836, the *apparent* circulation increases rapidly because of the large amount of notes held by other banks. As an instance of this, we will give the case of Massachusetts in 1836 and 1838. The *gross* circulation in the former year exceeded that of the latter by $1,500,000, but when we come to deduct the notes held by each other, the *nett* amount is but $400,000 greater. Changes of policy on the part of the states produce a great apparent variation. Banks and bank notes have been prohibited at one time, while at another, the former have been freely established, and the latter have been permitted to supplant the circulation, whether of specie or notes, that previously existed. The only safe course is, to take a community in which there has been no change of policy, as in that of Massachusetts, or that of England, for the time we have included above, and examine it carefully, when we shall find that changes in the amount of circulation are rather *consequences* than *causes* of changes in the amount, and in the value, of the currency.

We come now to inquire how the variations in its amount and value produced by the deposit of unemployed capital, correspond with the views above submitted, and will commence with the state of Massachusetts, in which the freedom of investment is very great, and more nearly perfect than in almost any other part of the world. There are, nevertheless, as we shall show on a future occasion, still remaining some regulations which tend to produce the unsteadiness which we are now about to exhibit.

A certain portion of the deposits is required for daily use, and circulates by means of checks or drafts, passing in the course of the week from A to B, C, and D, and perhaps changing owners fifty times in that period. Like the circulation, this is almost a constant quantity, varying so little in amount as to exercise scarcely any influence upon prices. Another portion consists of the larger masses of capital, for which the owners desire to obtain securities, real estate, etc. Here we shall find the principal variation.

The deposits and the specie in the banks of Massachusetts for four years, were as follows:*

	Deposits.	Specie.
1835	10,921,000	1,136,000
1836	15,262,000	1,455,000
1837	14,059,000	1,517,000
1838	9,621,000	2,394,000

We may fairly suppose, that the deposits for the daily uses of merchants, traders, farmers, and other persons, would not be less than six millions, and that to meet any claims on account of *those* deposits and the circulation, they would require to keep not less than a million of dollars in specie.

Deducting these sums from those above given, we shall find:

	Excess of deposits.†	Excess of specie.
1835	4,921,000	136,000
1836	9,262,000	455,000
1837	8,059,000	517,000
1838	3,621,000	1,394,000

Had the banks in 1836 retained in their vaults the excess of deposits, instead of lending them out, they would have had $4,921,000 in specie to meet them, whereas they had only $136,000, having paid out $4,785,000. In purchasing securities, they were competitors with the owners of the money thus deposited with them to the extent that they employed it, the consequence of which was a constantly increasing difficulty of employing capital, and a constant increase of the currency. Prices rose and interest fell. The difficulty of finding profitable employment for capital continued to increase, and the deposits rose to $9,262,000, of which 8,807,000 were loaned out. Excess of currency produced a reverse. A demand for specie arose, and the banks were compelled to call in their loans. Prices fell, and the capitalists were enabled to employ their money in the purchase of those securities, or that property, which had before been held by those who had been using their capital. The following table shows the variation in the amount of currency resulting from this cause.

The excess thereof was precisely equal to the amount of securities purchased by the banks with the funds thus acquired, and was as follows:

1835 . . .	$4,785,000	1837 . . .	$7,542,000
1836 . . .	8,807,000	1838 . . .	2,203,700

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* A very considerable amount of these deposits belonged to the government, which was not at liberty to use them until after the passage of the distribution law, in 1836. The expansion of the currency produced by *these deposits* had no connexion with the banking system, nor did it arise until the distribution commenced, in 1837.

† A part of these deposits bore interest, and was only convertible upon short notice. The owners were, nevertheless, seeking permanent investment for them. They contracted for the purchase of ships, houses, and stocks, payable at the expiration of thirty or sixty days, with the same confidence as if the money had been in their pockets. The necessity for giving notice has a slight tendency to prevent sudden changes, but it is very slight indeed.

Here we find the variations are four to one, whereas, in the circulation, it was almost nothing. Nine millions of capital, in 1836, produce an apparent amount of capital seeking investment equal to eighteen millions, whereas, in 1838, the owners are using it themselves to the extent of six millions, and the duplication falls to two millions.

Had the owners of eight millions of deposits in 1836, claimed payment of the banks, those institutions would have been compelled to sell stocks or notes to that amount. Prices would have fallen, and the depositors would have purchased those securities at the same rate, or perhaps even a lower one, than they could have done in 1834 or 1835. The currency would have been reduced eight millions by this simple exchange of bank securities for bank liabilities.

Had they become alarmed, and desired to convert their deposits into gold, with a view to hoard it, the change, could it have been effected, would have amounted to sixteen millions, attended with universal ruin.

Increase of deposits causes augmentation of the currency, attended with a rise of prices, and this produces a necessity for a small increase of circulation, because more money is required for the performance of the same exchanges. It is *a consequence* of the depreciation of the currency that is caused by an excess of uninvested capital, and that excess is produced by restrictions upon its employment.

We will now proceed to a similar examination of the operations of the Bank of England, with a view to see if like causes produce similar results. In this case, we suppose the deposits required for daily use, and those of the government, together, to average five millions, and that the quantity of specie required to be kept on hand to meet the demands on account of *those deposits and the circulation* to be also five millions, all above those sums being deemed deposits waiting permanent investment, and bullion held for the purpose of meeting them. It will be observed, that the *proportion* of bullion to liabilities here allowed is much greater than in the case of Massachusetts, the reason of which is, that the system is far less free and less natural, and is of consequence more costly, as we shall have occasion to show.

		Excess of Deposits.	Excess of Bullion.	Deficiency of Bullion.
1834,	December, . . .	£8,019,000	£1,978,000	
1835,	" . . .	15,370,000	2,710,000	
1836,	" . . .	8,330,000		£455,000
1838,	January	5,992,000	3,895,000	
	April, ...	6,262,000	5,126,000	
	July, ...	5,424,000	4,749,000	
	October, ...	4,327,000	4,437,000	
1839,	January, ...	5,315,000	4,356,000	
	April, ...	3,998,000	2,073,000	
	July, ...	2,567,000		656,000
	October, ...	1,734,000		2,478,000
	December, . . .	952,000		2,113,000

At the close of 1834, we find capital uninvested, and not wanted for daily transactions, amounting to eight millions, all of which, except about two millions, is invested in securities held by the bank for its own profit, while the owners are seeking in vain the means of making it productive. Eight millions here appear in the market as fourteen millions, the consequence of which is a great abundance of money, attended with a rapid rise of prices, and a constantly increasing difficulty of making investments. With every rise in the prices of securities, there is an increase of the deposits, and as the sums thus deposited are daily invested by the banks, there is a daily augmentation of prices, producing a farther increase of deposits, and thus we find, at the close of 1835, an excess of fifteen millions, more than twelve and a half millions of which are lent out by the bank. Fifteen millions of capital are here producing twenty-seven millions of currency; that is, twelve and a half millions of capital have been paid out to the community, while the owners of that sum, and of two and a half additional millions, are daily endeavoring to find the means of investing it, and are making engagements for its delivery with the same confidence as if they had the gold in their houses. It is not extraordinary that the explosion now takes place. It does so, and at the close of the following year, we find the deposits reduced to £8,330,000, all of which is invested in securities, together with nearly half a million out of the reserve five millions of gold. Eight millions would here be performing the duty of sixteen, *if the owners of the deposits had the same disposition for investment that they had at the close of the previous year.* Such was not the case. The revulsion had been so great as to shake confidence, and so large a portion of the owners wanted *the will* to invest, that *the deposits ceased to act as currency.*

At the commencement of 1838, the excess of deposits was less than six millions, only two millions of which were invested, and for a time we find so great a tendency to diminish the amount of trading upon the capital of others, as to retain in the form of bullion nearly the whole excess of deposits. Shortly after, expansion again took place. The bank invested all of its surplus deposits in securities, paying out for them not only all its surplus bullion, but a large portion of the reserve five millions, and in a short time brought itself to the verge of bankruptcy.

The excess of currency produced by this duplicate action of capital, in the period we have taken, was as follows:

1834,	December,	£6,041,000	
1835,	"	12,660,000	
1836,	"	0,000,000	
1838,	January,	2,097,000	
	April,	1,136,000	
	July,	675,000	
	October,		£110,000
1839,	January,	959,000	
	April,	1,925,000	
	July,	3,323,000	

This expansion was voluntary, but the effect being seen, the bank now desired to limit its operations. It had depreciated the currency, and compelled the export of capital which was leaving its vaults in the form of bullion, to such an extent as threatened the existence of the institution. In its anxiety to save itself, every effort was now made to correct the depreciation it had caused, and to force down the prices of all commodities, at the risk of ruin to all engaged in trade; yet, notwithstanding all its efforts, it is but quite recently that it has placed itself in a condition of safety.

Let the reader now compare the variations in the currency produced by the use of the deposits with those produced by circulation, and he will see that the latter sink into insignificance. In the one, from an excess of twelve millions, we fall to a deficiency of three millions, *in the single institution to which we have referred,* and if we include the joint-stock and private banks, it is highly probable that the variations are not less than thirty millions, while those of the circulation are but two or three millions.

Had the owners of unemployed capital kept it in their own hands, in 1833, prices would not have risen in 1834, 5, and 6. *Nor would they have done so,* had the bank traded upon its capital and circulation, keeping its deposits in bullion, the effect of which upon the currency would have been precisely the same. To return to this state of things, in 1834, would have required it to dispose of six millions of its securities, which would have been purchased by its creditors, and all difficulty would have been prevented. The proprietors of bank stock would have had smaller profits; and the owners of the deposits, finding it easy to invest their capital at home, at the usual rate of interest, would not have been under the necessity of sending it to all quarters of the globe, or embarking in hazardous enterprises at home, with a view to its employment.

We will now show, very briefly, the condition of the currency of the United States, that the reader may determine for himself how far it accords with the views we have submitted:

January, 1837, when expansion was at its greatest amount, the *nett* circulation, was	$112,000,000
January, 1839, it was	108,000,000
January, 1840, as given by one authority, 86 millions; by another, ...	92,000,000

Even supposing that of 1840 to be only eighty-six millions, the *difference* in the quantity of notes which, at the two periods, had ceased to circulate, and yet appeared in the statement of circulation, being in transit between the banks of the various parts of the union, could not have been less than four or five millions. We are warranted, therefore, in saying, that the diminution of circulation has not exceeded twenty millions.

January, 1837, the deposits were	$128,000,000
1839, ...	90,000,000
1840, ...	76,000,000

An important portion of those of 1837 belonged to the government, and became currency only as the distribution law took effect. If we suppose the amount of deposits required for daily purposes to be fifty millions, there was in 1837 an excess of seventy-eight millions, which was lent out by the banks, while individuals and states were making roads and canals, and performing other operations, with a view to the permanent investment of the same capital—say $78,000,000

In 1839, we find similarly situated 40,000,000

In 1840, the *excess* of deposits is reduced to twenty-six millions, but so entire is the destruction of confidence, that the owners have not *the will* to employ them, and they cease to act as currency in their hands, while only partially employed by the banks. The excess of currency from this cause is therefore . . . . —*nothing.*

Here we find the real causes of the vast changes that are witnessed, for which we should look in vain to variations in the amount of circulation.

The extent of the change thus produced will be more obvious, on an examination of the following statement:

1837.

Circulation, ...	$112,000,000
Deposits, ...	128,000,000
The total amount of specie in the banks was thirty-seven millions. If we permit the whole of this sum to represent the deposits alone, the balance will constitute the sum of depositors' money loaned out by the banks, while the owners are seeking the means of employing it—say	91,000,000
Total currency, ...	[*]$331,000,000

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[*] It will be asked, "If currency really represent *capital seeking investment*, how is it that three hundred and thirty-one millions of currency are here represented by only thirty-seven millions of specie—of real capital lying in the bank?" The answer is, we think, very simple.

Every man who has a claim upon a bank, or an individual, as holder of a note, or as owner of money deposited with either of them for safe keeping, holds it as the representative of some species of property that he has parted with. His capital has become uninvested, and has taken that form in which it will pass current in exchange for such other description of property as he may desire to possess, the holder thereof receiving it as money. It is not indispensable that the representative of his capital—the machine used for the performance of his exchanges should have value in itself. A community might resolve to use inconvertible paper, bank silver-tokens, bricks, or any other article of merchandise, in the transaction of their business, and any of them would answer the purpose equally well if they could devise a mode of preventing excess of issues and consequent depreciation. They cannot do so, because the temptation is too great, and therefore it is necessary to maintain the convertibility of the medium of exchange into money, thereby securing steadiness of value. The dollar is the standard by which the bank note is measured, and so long as it conforms to that standard the object is obtained. Every portion of the above three hundred and thirty-one millions was received in exchange as freely as would have been an equal amount of silver. The holder valued it because it represented property that he had sold. The man to whom it was offered valued it because he knew he could exchange it with his neighbors for such property as he desired to possess. In like manner, the merchant who purchases a bill of exchange on Liverpool, values it because it represents cotton, and he cannot obtain it except at certain cost, and he knows his correspondent will give him cloth for it. The latter does so because he knows he can obtain cotton in exchange; yet the bill itself has no intrinsic value. It is no more necessary that the machine in daily use for the measurement of *values* should be of gold, than that that used in the measure of *lengths* should be so; but it is as important that the one should measure equal values as that the other should measure equal lengths; and therefore, it is essential that standards should be preserved, that the community may have constantly the opportunity of comparing them with those in use, so as to detect variation the moment it occurs. The *right* of conversion gives to every man the power of ascertaining the existence of any depreciation in the value of any representative of capital that he may hold, while it *tends* to compel all who supply such representative to limit the supply to the quantity actually wanted for the performance of exchanges, thus preventing the holders from experiencing

1839.

Circulation,	$108,000,000
Deposits,	90,000,000
The specie on hand being forty-five millions, it follows, that the amount of depositors' money loaned out was	45,000,000
Total currency,	$243,000,000

1840.

Circulation,	$92,000,000
Deposits for daily use,	50,000,000
Surplus deposits, $26,000,000. The owners of these having no longer *the will* to invest them, they cease to act as currency.	
The specie on hand being $33,000,000, it follows that the amount of the depositors' money used by the banks is	43,000,000
Total currency,	$185,000,000

The amount is little more than one half of what existed in 1837. But one seventh of the reduction is to be found in the circulation, and even that is to be viewed as a consequence of the diminished value of property, resulting from the diminution of the currency, produced by the absence of the double application of capital, to which we have called the reader's attention. It cannot be doubted that $92,000,000 of circulation bears at this time a much larger proportion to the amount of property to be exchanged, than did $112,000,000 in 1837. With every diminution of the money value of commodities, a diminished quantity of money is required.

Increase in the quantity of circulation throughout England and the United States generally follows the movements of the Bank of England, but time is required to produce the effect. London is the centre of the financial world, and the bank is the prime mover at that centre. When that institution begins to expand its operations, by lending freely the monies deposited with it, thus making money more abundant, there is a rise in the prices of *securities ;* but some time elapses before the country banks are enabled to follow its example to the extent that is required to produce the augmentation in the prices of commodities that gives rise to the necessity for increased circulation. A still longer time is required for it to be felt at New York and Philadelphia, and yet longer for it to reach St. Louis. When contraction is required, it begins in London, and after a short time it takes effect throughout Great Britain. After that, it is felt in New York and Philadelphia, and ultimately at St. Louis

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any necessity for exercising it. The more nearly the amount approximates that which is required for the daily purposes of life, the smaller will be the proportion of specie required to be kept on hand, the less necessity will there be for resorting to the standard for the purpose of comparison—the less expensive and the more steady will be the currency.

and Calcutta. The water along the shore is calm and unruffled, while the centre of the stream is agitated by the passage of the steam-boat, but the wave thus produced is propagated throughout the mass of waters until it reaches the shore, which is most agitated when the centre is restored to perfect tranquillity. In like manner we find the country banks of England still expanding after the bank has commenced to contract, and those of New York and Philadelphia expanding after the contraction has been established throughout England.

On an examination of short periods, or of a portion of the facts, the fluctuations in the circulation might not appear to follow those which occur in the loans upon deposits, and thus, in the year 1838, there was a diminution in the latter, *so far as the Bank of England was concerned*, and an increase in the former. We hazard little in asserting that there must have been, during that year, an increase in the amount of deposits with the private and joint stock banks, enabling them largely to increase their loans, to aid the Bank of England in bringing about the state of affairs which led to the explosion of 1839. Had we all the materials, this could be shown as clearly in the case of England as we have been enabled to do in that of the United States.

When individuals permit their capital to remain unproductive, it may be safely assumed, either that property is insecure, or that there is a difficulty in finding the means of profitable investment. In neither England nor the United States does there exist that state of feeling which induces men to hoard gold or silver; on the contrary, the universal tendency is to place it in the custody of banks and bankers, proving that the first cause does not exist, and that the latter is the only cause to which an excess of deposits can be attributed. Such difficulties are the result of restrictions, the effect of which upon the currency we shall now show, by comparing the operations of three communities nearly equal in the amount of production and of exchanges to be performed, but differing somewhat in the freedom with which capital can be employed.

In No. 1, there is perfect freedom. Every man employs his time, talents, and capital, as he sees fit. The amount of circulation and deposits is not greater than is necessary to perform the daily operations of the community, and consequently there is no unemployed capital. In No. 2, there are various regulations that render it somewhat difficult to make investments yielding the usual rate of interest, and there is always on hand a small amount yielding no return to the owner. In No. 3, there are superadded many regulations and restrictions, that cause capital to accumulate for months before the means of employing it advantageously can be found. The state of the currency, in these several communities, is as follows:

	No. 1.	*No.* 2.	*No.* 3.
Circulation, specie, and paper,	$3,000,000	$3,000,000	$3,000,000
Deposits, *for daily use*,	3,000,000	3,000,000	3,000,000
Deposits, unproductive to their owners,		3,000,000	6,000,000
Total currency,	$6,000,000	$9,000,000	$12,000,000

It must be obvious to the reader, that no apprehension of war—no panic—no selfishness—can materially affect No. 1. Every man experiences a necessity for using every day that portion of the currency which falls to his lot, and consequently there can be no material change of prices under any circumstances. In No. 2, on the contrary, the apprehension of such an occurrence would at once paralyze the operations of the owners of *one third* of the currency, and would produce such a state of distress, and such a reduction of prices, as would throw out of employment a considerable number of laborers. In No. 3, the same circumstances would exist, and on a much larger scale. The currency would be reduced from twelve to six millions, with universal ruin to the productive classes, whose property would be transferred to the owners of the before unemployed capital. The rich would become richer and the poor poorer.

The power of affecting the currency, and of increasing or diminishing prices, both of labor and commodities, exists in precisely the ratio which unemployed capital bears to the whole currency. The more perfect the freedom of trade, the greater will be the productiveness of labor, and the smaller will be the proportion which currency will bear to production. *Every restraint upon the application of capital, tends to diminish production—to increase the quantity of capital seeking employment—to increase the proportion which currency bears to production—to increase the power of individuals to produce disturbance—and to diminish the possibility of maintaining a currency of uniform value.*

With the growth of population and of capital, we find a constant improvement in the condition of man, and a constantly increasing disposition to assert his right to freedom of trade, a necessary consequence of which is, a constantly increasing tendency to an equality of profits and of condition. In the early ages of society the merchant sells his goods at treble or quadruple the cost, as does the Indian trader of our day; the landlord requires as rent two thirds of what is yielded by the land; and the usurer demands twenty or thirty per cent. for the use of his money. With the increase of capital the share of the merchant is reduced to one tenth, and that of the landlord to one fifth or one fourth; the capitalist demands as interest five or six per cent., and all parties increase rapidly in wealth, because of the superior productiveness of labor, giving to both laborer and capitalist an increased quantity of commodities in return for any given quantity of labor and capital, and producing a great increase in the amount of exchanges to be performed. This tendency to equality is greatest where labor is most productive, and labor is most productive where freedom most exists. The one is the invariable companion of the others. In the three communities to which we have before referred, we suppose the following to be the state of the trade in money, as usually carried on at banks:

	No. 1.	*No.* 2.	*No.* 3.
Bank capital,	$20,000,000	$17,000,000	$14,000,000
Circulation, paper, and specie,	3,000,000	3,000,000	3,000,000
Deposits,	3,000,000	6,000,000	9,000,000
	$26,000,000	$26,000,000	$26,000,000

Loans,	$24,500,000	$23,500,000	$22,000,000
Specie in bank and in circulation,	1,500,000	2,500,000	4,000,000
	$26,000,000	$26,000,000	$26,000,000
Interest on loans, at 6 per cent.,	$1,470,000	$1,410,000	$1,320,000
Expenses, 1 per cent.,	$200,000	$170,000	$140,000
Dividend,	1,200,000	1,190,000	1,120,000
Surplus,	70,000	50,000	60,000
	$1,470,000	$1,410,000	$1,320,000
Rate of profit to stockholders,	6 per cent.	7 per cent.	8 per cent.

In the first, there is no unemployed capital. All that is not directly required for the purpose of effecting exchanges is invested, and all parties obtain the usual rate of interest. *Here is equality.*

In the second, the owners of three millions of deposits have nothing, while the owners of bank stock have seven per cent.

In the third, the owners of stock have eight per cent., obtained by using the capital of depositors who own six millions, and who receive nothing. Here is great inequality, resulting from the fact that a large amount remains in the form of currency, because of restrictions on its employment Some of these deposits may be on interest, and not constituting immediate currency, but are liable very promptly to become so, because the rate of interest allowed on temporary loans of this kind is always much below the average. Individuals who would gladly invest their capital in some species of stock that would yield them the ordinary rate of interest, find themselves obliged to leave it in the hands of bankers, who pay them but two thirds of that rate, and the consequence is, that they are always ready, with the approach of danger, real or supposed, to convert their deposits into claims payable on demand, and thus augment the difficulty that is produced by political or commercial changes. A million of deposits on interest may at any moment become a cause of danger, but *when the owners thereof have accepted from the bank a certificate of stock in lieu thereof, the danger is at an end, because the amount of capital seeking permanent investment is diminished.* Its *assets* remain the same, while its *liabilities* are reduced a million of dollars, the amount of the new stock *created.*

Restrictions upon trade tend to cause, or to increase, inequality of the rate of profit, and to prevent the permanent investment of capital. *The more numerous the restrictions, the greater will be the inequality, the larger will be the amount of currency, and the greater will be the tendency to sudden expansions and contractions, attended with unsteadiness in its value.*

ART. III.—HISTORY OF MASSACHUSETTS CURRENCY.

An Historical Account of Massachusetts Currency. By JOSEPH B. FELT. Boston: 1839. Perkins & Marvin. 8vo. pp. 248.

THIS is a work containing much rare and curious information, upon a subject in which every member of society feels an interest. It is written in a plain, unpretending style, and without entering into speculations, or chimerical dreamings. Mr. Felt has adhered with praiseworthy strictness to his professed object, of spreading upon its pages a faithful chronicle of the currency of Massachusetts, its nature, the various fluctuations and changes it has undergone, together with the history of many of the banking institutions of that colony, from its earliest settlement down to the present time.

It is not our intention to occupy much space in noticing this book, although the industry and research with which many of its pages abound, would richly repay a lengthened examination.

During the early part of the seventeenth century, we are informed by Mr. Felt, that gold and silver were scarcely known in the dealings among the colonists of Massachusetts, and various other commodities were used to facilitate their trade with each other, and with the natives, of whom they were in the constant habit of purchasing large quantities of rich and costly furs. As a natural consequence of this scarcity of the precious metals, a universal system of barter and exchange of one article for another prevailed. The Indians were ever ready to give their furs in return for knives, hatchets, beads, blankets, and especially were anxious to obtain tobacco, guns, powder, shot, and strong water; the latter being a powerful instrument in enabling the cunning trader to perpetrate the grossest frauds in his dealings with them.

Immense quantities of these furs were shipped to Europe at a great profit; and peltry, as we are informed by Mr. Felt, was received and passed as cash by the colonists. He accordingly mentions it as one among the numerous classes of currency used by them.

Another species of currency made by the Indians, called wampum, introduced into the colony in 1628, from Manhadœs, now New York, was in extensive circulation for a long period of time, and it appears, from the description given of it by Governor Bradford, of Massachusetts, to have enriched the tribes by whom it was manufactured, and to have greatly benefited the colonists. In mentioning it, he says—"That, which in time turns most to our advantage, is their now acquainting and entering us into the trade of wampum. By which, and provisions, we quite cut off the trade both from the fishermen and straggling planters. And strange it is, to see the great alteration it in a few years makes among the savages. For the Massachusetts, and others in these parts, had scarce any, it being only made and kept among the Pequots and Narragansetts, who grew rich and potent by it, whereas the rest who use it not are poor and beggarly." And Roger Williams, in giving an account of this singular currency, the result of Indian ingenuity, observes—"That it is of two sorts; one white, which is made of the stem or stalk of the periwinkle, when all the shell is broken off; and of this, six small beads, which are made with holes to string bracelets, are current with the English for a penny. The second is black, inclining to blue, and is made of the shell of a fish, which some English call hens—poquahock—and of this sort three is equal to a penny. And one fathom of stringed wampum is worth five shillings."

Money of this nature was in extensive circulation for many years, and at one time constituted the principal circulating medium of the colony—its value, and mode in which it was to be strung, having been regulated by an order of the General Court.

Like the worthless and irredeemable money of modern times, it at length flooded the infant colony, and overflowed the treasury with more than could be disposed of, which led to its being prohibited in payment of taxes, although the inhabitants were compelled to receive it so late as 1650, in satisfaction of all demands not exceeding forty shillings.

Mr. Felt also states, that corn was used as a substitute for money, and even cattle were made to answer the usual and ordinary purposes of currency, and arbitrary prices were fixed upon them, by which they were taken in payment of debts and taxes; the price of horses of four years old and upward, being fixed at seven pounds; and hogs above a year old, were taken at twenty shillings.

Curious instances are mentioned by Mr. Felt, of the propensity for law-making which prevailed in the colony. Provisions were enacted, by which a fine was inflicted upon the hirers and hired, who should give or receive more than a certain sum per day for work; by which wise regulation, the lazy drone received the same wages as were paid to the industrious citizen. This soon led to the enactment of laws, by which the price of imported goods was fixed and determined—all of which legislation, we conceive, had about the same foundation in justice or common sense, as that which is now exercised for the prevention of usury, although the latter may not be quite so palpably ridiculous and absurd as the former.

In order to increase the means of defence, a remarkable currency was introduced into the colony in 1635, which must have been quite as cumbrous as the iron money of the ancients, being nothing less than musket bullets, of a full bore, which were made to pass for a farthing each; although no person was obliged to take more than twelve at once; while at the same time, the payment of all farthings as money was prohibited, for the purpose of effecting the more general circulation of their strange substitutes. Many other articles, of almost equal peculiarity as a currency, were used as such at different periods by the colonists, who for many years experienced the greatest inconveniences from the want of a steady and uniform circulating medium. As the business relations of the colonists with each other increased, and their intercourse abroad became more enlarged, it was found impossible to manage their various dealings, without the aid of a currency composed of less discordant materials; and the most active measures were adopted for its establishment upon a surer and better foundation.

A mint for coining money was accordingly erected in Boston, and as considerable bullion had been brought to the colony from the West Indies, large sums were speedily coined and circulated. This assumption of independence on the part of the colonists, highly displeased the king, who, in accordance with the opinion of other sovereigns of Europe, considered the coining of money as a royal prerogative, and its infringement treason against the crown. The most humble petitions were presented by the colonists to Charles the second, for liberty to continue their mint, and it does not appear that he ever ordered its abolishment; although the commissioners of the royal exchequer, and the lord high treasurer of England, exerted their influence to effect this object. Propitiatory offerings were also forwarded to the king, for the purpose of ensuring his favor; two of which were curious enough, one consisting of "two very large masts" for his majesty's navy, and the other being "ten barrels of cranberries, two hogsheads of special good samp, and three thousand of cod fish."

Owing to the royal disfavor which the mint experienced, and the continued efforts that were made in London to cast discredit upon the coin which it issued, its operations were finally discontinued, although not until the foundation for the issue of bank bills had been laid by the colonists, upon which has since been built a large portion of our national prosperity. In 1686, when all hopes for the longer successful continuance of the mint were expiring, plans were proposed for the establishment of a colonial bank at Boston, to supply its place; and although many prejudices existed against paper money, which even in the old world was of new invention, yet this institution was created, with liberty, by its charter, to commence issuing bills on the security of real and personal estate, and unperishable merchandise. How long this bank continued in existence, Mr. Felt does not inform us, although he supposes it remained in operation until 1689. It would seem, however, that at the time of its discontinuance, most of the aversion which had prevailed in the colony towards paper money had vanished, for in one year after, a law was passed authorizing the issue of seven thousand pounds of government bills, in denominations of from five shillings to five pounds each. Thus was the foundation laid for issuing a paper currency upon government credit, and controlled and regulated by its officers, which continued for the period of sixty years. During this time it underwent many important changes, in value proportioned always to the ability which the colony possessed for its redemption; and although many individuals suffered severe losses, owing to the various fluctuations which it experienced, yet it proved of great public utility and benefit. It afforded facilities by which persons were enabled to deal extensively in mercantile transactions, and was a powerful instrument in abolishing the use of the cumbersome and perishable articles we have mentioned as a portion of the circulating medium. The more extensively these bills of credit were circulated, the more anxious did the merchants, and others of the colonists, become for the wider diffusion of paper money; and as they could not procure emissions from the government sufficiently large for the purposes of trade, efforts were strenuously exerted for the creation of a private bank. This was warmly opposed by the governor and his officers, and an order was made prohibiting the issue of bills by any private institution, or copartnership of persons. And in order to direct public attention from any project of this nature, a new issue of one hundred thousand pounds in government bills was made in 1716, and deposited with the county trustees, in amounts proportioned to the county taxes. This money they were authorized to loan to individuals in sums not exceeding five hundred pounds, nor less than twenty-five pounds, for the period of ten years, upon mortgaged estates, worth double the amount, at the yearly interest of five per cent.

This issue, although it relieved the colonists from the pressure of immediate wants, operated in a great degree to depreciate the bills; and the value of silver rose in proportion.

Their real worth in facilitating trade and exchange was continually deteriorating, and larger issues were in consequence clamorously demanded; and as the action of the colonial government had operated to defeat the establishment of a bank for the purpose of supplying a paper currency, it became important to devise some measure by which the expressed value of these bills could be sustained. A most dangerous, unjust, and fraudulent enactment, was accordingly made, by which they were declared a legal tender in payment of all obligations that had been entered into between 1705 and 1715, unless gold and silver was specially mentioned and agreed upon, and this law was afterwards continued in force until 1722. This was a species of high handed, arbitrary legislation, almost unprecedented, and entirely unwarranted by justice, necessity, or even expediency. First, to call into existence a large amount of bills of credit, and then, the moment that the period for their redemption drew near, finding the precious metals were strangers to the treasury, and slight prospects existing of its replenishment, to declare that this almost worthless paper should be received in payment of debts, for which nothing short of gold and silver, or their equivalent, was originally contemplated by either creditor or debtor, furnishes an instance of tyranny and oppression, of which history affords but few precedents or examples.

Although this legislative measure was calculated to keep the bills in circulation, yet we are informed by Mr. Felt, that their depreciation was none the less rapid, and litigation and commercial troubles were multiplied to an alarming degree; and in 1718 Governor Shute, in a communication to the legislature, deplores the indifference which was manifested in regard to their ultimate payment, and says that, unless due attention is given in retrieving their credit, it will end in the ultimate destruction of the colony.

Indeed, the condition of these bills was little better than that of those issued in 1712 by South Carolina, who, in order to pay the cost of an expedition against the Tuscaroras, issued forty-eight thousand pounds as a loan, four thousand of which was to be paid annually; and so fast did this emission depreciate, that but two thirds of its nominal value could be obtained for it at the expiration of the first year, and at the end of the second it was worth but one half, until at length the bills became almost valueless.

To add to the financial embarrassments of the colony, its bills were directed to be paid in stock, and various kinds of country produce, so that those who held them, hoping that they would be ultimately redeemed in silver or gold, were disappointed.

The bad faith manifested by the government, raised up a powerful party against the issuing of bills of credit, and the formation of a private bank was urged with renewed force. The necessity for a paper circulating medium, of a higher and more uniform value than the one enjoyed, was seriously and universally experienced throughout the colony, and particularly among the mercantile classes in the city of Boston. To increase the evil, partial legislation had crept in, and while the poor laborer was compelled to receive these bills for the support of his family at their par value, clergymen were obliged to take them only for the sum which they were really worth. This added powerfully to the many prejudices already existing against money of this nature, until influenced by a desire to increase the public prosperity, and for the purpose of reviving a languishing trade, a number of Boston merchants, and others, formed an association, and issued one hundred and ten thousand pounds in bills, redeemable in ten years, which were so eagerly sought after, and circulated so readily, that they at all times commanded thirty-three per cent. more than those issued by the authorities of the province.

Perceiving the readiness with which the colonists received and passed the bills of this private association, and the increased aversion that prevailed throughout the community against those issued by the province, the governor and both branches of the legislature endeavored to cast discredit upon the merchant's notes, as they were called, and their influence was exerted to destroy the source from which they emanated.

Their object utterly failed, however, for these notes for a long time were freely circulated, from which the public derived many valuable benefits; and this war of the government upon the association, was without doubt a powerful instrument in awakening public attention to the subject of creating a currency through the medium of banks, which even in this instance, surrounded as it was by every material calculated to wither its influence and destroy its credit, had triumphantly vindicated the principle, that an association of private individuals, amenable to the laws for every act they commit, and legally accountable to those with whom they deal for the rectitude and honesty of their business transactions, are infinitely better calculated to create and perpetuate the blessings of a sound and uniform currency, than an irresponsible combination of political power.

Notwithstanding every element which the government of the colony employed to crush and destroy all schemes by which banking institutions were sought to be created, two associations were formed in 1740, for the purpose of issuing notes to circulate as money.

The plan upon which they were organized, and the principles by which their operations were controlled, show that the science of banking was then but little understood, besides presenting a forcible picture of the financial gloom that prevailed throughout the colony.

One of these associations was called the specie paying bank, because its notes were redeemable in silver at twenty shillings an ounce, or gold pro rata, after fifteen years; and it was composed of Edward Hutchinson and one hundred and six partners, with a capital of one hundred and twenty thousand pounds.

The other was called the land bank, and was composed of John Colman, and three hundred and ninety-five other persons, with liberty to issue one hundred and fifty thousand pounds, to be lent in notes on land security, payable in various articles of merchandise at the expiration of twenty years.

After these associations were formed, they petitioned the legislature for its approval and support, and a committee was appointed to examine into their respective merits.

Upon investigation, the committee reported, that less objection existed to the specie paying bank than to the land bank, although both were declared to be inexpedient, and against sound policy and the public good. No direct action was had upon this report, on account of a division of opinion between the two bodies composing the legislature; the council being desirous of abolishing the land bank, and a large portion of the assembly being anxious to have it go into immediate operation.

Under these circumstances, both associations commenced issuing their notes, and a war was then commenced upon them by the English crown and the colonial governor and council, which ended only with the annihilation of the former. For years previous, the prominent policy of England towards her American colonies had been to introduce measures most calculated to withdraw all silver from them, and to deprive them of every species of local currency. Her merchants had always supplied the colonists with the foreign merchandise which they consumed, and in payment were careful to obtain as much specie as possible. The precious metals were consequently at all times extremely scarce, and as the colony carried on but a trifling commerce, no opportunities were enjoyed by the inhabitants of increasing the amount in circulation.

The coinage of money had, as we have before observed, been declared treason against the crown, and the issue of bank notes, by the institution we have mentioned, was considered an offence in its nature almost as criminal. A policy so ruinous to the best interests of the infant colony, was powerfully calculated to crush the spirit of enterprise that was rapidly pervading society, and tended strongly towards the destruction of all commercial prosperity.

Mr. Belcher, the governor of the province, entered warmly into all the views of the English crown, and used his influence both publicly and privately to effect the destruction of the land bank. He issued a proclamation, setting forth in the most extravagant terms the great damage which must ensue to the interests of individuals, if the bank was suffered to continue its operations; and condemned the specie paying bank also, although with much less severity. Determined to destroy the land bank at all hazards, every person who held a civil or military commission was peremptorily forbidden, by the governor, to be in any manner connected with it, under pain of being summarily deprived of the office he enjoyed.

In consequence of this arbitrary measure, many individuals, holding civil and military stations in the colony, immediately resigned, and among these were some of its most influential inhabitants. Mr. Felt mentions a letter written by Henry Lee, Esq., of Worcester, who it seems had fallen under executive displeasure for his attachment to the bank, in which he says, "I am determined to do what I can to encourage it, and think the privilege of an Englishman is my sufficient warrant. To sacrifice my post for the service of my country, is infinitely more honorable than to keep it on such base conditions." These sentences breathe a spirit of patriotism and devotion to what their author believed to be the good of his country, which are the more meritorious, as their utterance was the seal of his political fate, and deprived him of office, and its attendant emoluments and honors.

From what Mr. Felt informs us, we are led to suppose that the fear of political rulers did not prevail so universally among the colonists as it has since existed; for we are told by him, that in defiance of the mandates of the governor, the most stern resistance was manifested to every measure that was introduced, which was in the least calculated to retard the operations of the land bank; and individuals occupying the highest positions in society, in point of wealth and respectability, eagerly connected themselves with its interests, notwithstanding that by so doing they incurred a forfeiture of any office of trust and profit with which they had been invested by the colonial government. The excitement upon this subject at length arose to such a height, that serious fears were entertained of an insurrection on the part of the colonists; who, driven to desperation by the policy of their government, in refusing to allow them a currency of any kind, by which their trade had become seriously injured, as a last resort had resolved upon vindicating their claims to the rights and privileges of freemen, by force, and the governor was informed that one thousand men were to be raised by the conspirators in Boston, and twenty thousand in the country, who were to march into the metropolis, and intimidate those opposed to the bank, and mob all such traders as refused to pay coin for its bills.

By using prompt and energetic measures, this rebellion never matured to acts of open hostility; the sheriff and his officers having captured the principal conspirators, before their schemes were fully ripe for execution.

The opposition of the governor to the bank finally made him so unpopular, that through the representations of its advocates to the royal council, he was displaced, and William Shirley was appointed in his stead. Nearly the same financial policy was pursued by him as had been marked out by his predecessor, until through his influence an act was passed by the parliament of Great Britain, by which heavy penalties were inflicted upon all persons who should be connected in any manner with the land and specie companies, as they were called, after the twenty-ninth day of September, 1741, which effectually struck them out of existence, leaving the colonists destitute of every species of currency save depreciated government bills. These were daily decreasing in value, and new emissions were continually issued, which rapidly caused a still greater depreciation, until at length they became almost worthless, and the colonists suffered the greatest inconvenience and embarrassment from the want of a more uniform and less fluctuating medium of exchange. At last the governor, through whose influence the private banks had been abolished, fully saw the error he had committed, in supposing that government bills could serve the purpose of a currency, and in his speech to the legislative bodies of the province, used the following language:

"The general distress of the province, arising from extraordinary emissions of paper money, whereby the value thereof, for all occasions of life, is sunk so low, and is still sinking, and thereby the estates of widows and orphans, and many others, who have no remedy in their power against this growing evil, are daily diminishing, which must inevitably bring many good families to poverty: I most earnestly recommend to you to find some other way to supply the treasury, than by making new emissions of paper money. And I am fully persuaded that you will thereby not only give relief to the oppressed, who justly expect it from you, but also whatever charge may attend any new method to supply it will be found in the end to save money to the province."

It would be impossible not to respect and admire the candor and nobleness evinced in this speech, the more so as it is in direct opposition to the sentiments which he had previously advocated. But he saw that his measures were injuring the prosperity of the colonists, and that his favorite bills were producing the most injurious consequences, particularly to those engaged in mercantile employments; and with an earnest desire to promote and advance the welfare of his country, which should be the ruling principle of every public officer, he resolved to sacrifice his private wishes and personal prejudices to the public good.

The same reasons which had influenced the governor to advise that no more bills be issued upon the credit of the government, led to the adoption of measures for the speedy payment of those in circulation, and application was made to the English crown for silver to effect their redemption. The colony had expended large sums in fitting out an expedition to assist in the capture of Louisburg from the French, and it now asked to be reimbursed those sums in the precious metals.

This request was at length complied with on the part of the English government, and specie was accordingly shipped to the colony to be used in the payment of its bills. This produced much satisfaction among the colonists; many of whom held large amounts of the bills, which, from the uncertainty that had before existed of their ultimate payment, were considered almost valueless.

As fast as they were redeemed, the treasurer was directed to burn them; and the most confident hopes were entertained by the governor and his friends, that a re-issue would not again be called for. Indeed, an exclusive hard money scheme was contemplated, which found many energetic supporters, numbering, as at the present day, the highest offices in the government. It was warmly opposed, however, by the poorer classes, who feared that if gold and silver formed the exclusive currency, it would be hoarded up by the rich, and the whole of it be withdrawn from circulation.

Influenced by these feelings, large meetings were held in opposition to the scheme throughout the colony, and so far did the excitement extend, that the redemption of the government bills was treated with disapprobation, and its supporters threatened with personal violence, if it should be persisted in. The excitement produced by these measures soon subsided, and a calm determination to urge the adoption of measures for the establishment of a sound and uniform currency, assumed its place.

Notwithstanding the endeavors which had been made for the redemption of the bills, it was found impossible to transact the business of the colonists, with the small amount of silver and gold in circulation; and the colonial government was again compelled to issue paper money, which was done from time to time, from 1751, when the amount in circulation was directed to be redeemed by the gold and silver obtained from England, until 1775, at which period the province issued bills, and made them a legal tender, for the purpose of placing itself in an attitude of defence against the invasion of its liberties by the English crown.

After the commencement of hostilities by the mother country against the colonies, the provincial congress, deeming it a matter of the deepest importance that measures should be speedily adopted which would be most likely to unite them together, passed a resolve, that the bills issued by the different colonies, shall pass current throughout all of them, and that whoever should refuse to take them, or should demand a discount upon them, should be deemed an enemy to his country. The spirit of patriotism which existed among the colonists, and the determination that prevailed to resist the unrighteous demands of the British crown, for some time exerted an influence in preserving the credit of this new currency unimpaired; and in October, 1775, six months after the first issue of continental bills, they were readily exchanged for gold and silver.

As it is perfectly well known to our readers, this paper soon suffered an alarming depreciation in value; and when the necessities of our forefathers compelled them, for the purpose of supporting themselves in their unequal contest with the mother country, to make issue after issue of these bills, they became after the lapse of two or three years almost worthless. Mr. Felt has given a full and accurate account of them, from the time they were issued, until their ultimate redemption, and has collected much that is rare and interesting in relation to the legislative enactments which were made for the purpose of preserving them in circulation. Resolutions were passed in congress, by which it was rendered highly criminal to attempt to cast discredit upon them; and in 1776, when public confidence in them had become greatly impaired, a committee was appointed by that body, to detect the authors of a conspiracy which had been formed for the purpose of destroying the credit of this currency, in order that they might be punished as enemies to their country.

In 1777, still more powerful endeavors were made for its preservation; and in January of that year, congress declared, that whosoever should pay or receive this currency at a less rate than that originally prescribed, besides being accounted a foe to the liberties of his country, should forfeit a pecuniary penalty; and the states were advised by that body, to make it a legal tender for all debts, and to provide that a refusal to receive it, should operate as an extinguishment of the claim upon which it was offered.

All these measures, energetic as they were, proved insufficient to prevent its rapid and ruinous depreciation, until, in 1781, five hundred paper dollars would not command one of silver, and they finally ceased to circulate as a currency.

Such unfortunate and disastrous results had flowed from every attempt on the part of the government to provide a circulating medium, which should be free from those sudden and oft-recurring fluctuations in value that are ever so destructive to all public confidence, that when the attempt was made in congress to establish the Bank of North America, the representatives from Massachusetts voted against it, having lost nearly all hope that any institution, established for the purpose of issuing paper money, would be conducted upon principles calculated to benefit the community generally. The subsequent action of this bank, which was finally chartered, proved how deeply mistaken they were in these views, and showed how infinitely superior is a currency which emanates from private institutions, to that which is the offspring of a political government.

So many benefits were conferred upon the public by this institution, and so powerfully did it operate in removing the financial embarrassments that had so long and universally prevailed in the colonies, that the distrust and aversion which had for many years existed throughout Massachusetts towards private banks, gradually wore away and finally disappeared; and in February, 1784, a petition for the Massachusetts Bank was granted by the legislature, with a capital of five hundred and fifty thousand pounds, which was the first institution of the kind, composed and promoted solely by individuals, since the destruction of the silver and land banks.

Although much good resulted from the establishment of this institution, the bills of which were freely circulated, and eagerly taken for all the purposes of business, yet the deep-seated financial evils, under which the inhabitants of Massachusetts had for many years labored, were not easily destroyed; and in November, 1786, so difficult had it become to procure money for the payment of creditors, even by those who were possessed of large amounts of property, that the legislature passed a law, by which the collection of private debts was for a period of time suspended.

The creation of new banking institutions, which speedily followed the establishment of the Massachusetts Bank, added greatly to the prosperity of commercial interests, and tended strongly towards removing the pecuniary embarrassments which for so long a space of time had hung over the province of Massachusetts. Mr. Felt has furnished us with much valuable information concerning these institutions, which he has extended down to so recent a period as the last year,* giving a history of the memorable suspension of 1837, and of the events which it led to; but as all these circumstances are still fresh in the recollection of our readers, we have thought it unnecessary to notice them here. We would recommend every one to procure this work and give it an attentive perusal, for it contains a mass of highly useful, and to us interesting information; and unfolding, as it does, a faithful chronicle of the currency of this country, from its earliest settlement, and tracing the various mutations and changes it has undergone, down to the present time, it presents to the mind many valuable financial principles and monetary laws, which are the more sure and unvarying, because they are sanctified by time and long experience.

We trust that Mr. Felt will pardon us for the liberty we have taken in giving a brief abstract of such portions of his work as we have thought most interesting, instead of following in the more beaten tracks of reviewers, by presenting extracts from it entire.

Our reason for adopting a different mode is, that most of it is composed of transcripts of colonial and state legislative records, which are often long; and owing to their peculiar phraseology, are frequently dry, and sometimes uninteresting.

HAVE YOUR PROPERTY AT ALL TIMES FULLY INSURED.

From a neglect of this caution, thousands are annually ruined. Insure at those offices that have the reputation of paying claims honorably and punctually; even if you give a higher premium. It would be judicious to show your policies to some experienced and disinterested person well versed in the subject of insurance, in order to be sure that all is right.—*Hints for Merchants.*

Art. IV.—THE CONNEXION OF COMMERCE AND AGRICULTURE.*

The first and early settlers of North America were, evidently, an enterprising people. Without that trait of character, they would not have hazarded so much, nor voluntarily suffered so much as they did. And men of an enterprising spirit, living near the ocean, are found always to engage more or less in navigation, and in maritime pursuits. The usual labor on the land, in their estimation, is rather a dull business. The employments of agriculture or of the mechanic arts, are too tame to satisfy their active and ardent disposition. They have a desire for adventures: they are ready to encounter dangers and losses in the hope of a successful voyage, or from a preference for more active scenes, where they may meet new and exciting events. They are also of a brave and hardy temperament; little daunted by ordinary difficulties, and patient under toils and sufferings.

Such were the first visitors and inhabitants of Virginia, under Smith and others, and with the patronage of the resolute and enterprising Raleigh. The spirit of the leaders was caught by the common adventurers. They expected dangers and impediments; but they were prepared to meet and to overcome them. Such were the Dutch who first settled about Hudson's river, and such were the first people of Plymouth, Massachusetts, New Haven, Maine, L'Acadie, and Canada. Although of different nations in Europe, they were alike in their love of adventure, their readiness for enterprise, and their talent for trade. Their descendants have lost nothing of this character; and we may justly add, perhaps, that they have not *improved* upon it. For, if more enterprising, they are, it is feared, more injudicious and more reckless in their speculations.

Now, the active and adventurous seaman, especially if intelligent, will soon be induced to engage in mercantile pursuits. He who has seen much of navigation, will naturally prefer trade and commerce to other occupations; for he has seen the profitable nature of exchanging the products and commodities of one country for those of another. And, frequently, by the meridian of life, he becomes a merchant. His personal experience and knowledge have fitted him to be a successful one. Perhaps, however, there is danger of his becoming a rover; though this will, in a great measure, depend on the sort of early self-government and discipline he has had. If well educated, and of common stability of character, he will be willing to exchange the bustle and dangers of a seafaring life for that of the merchant, when he is fifty, or before. And an intelligent ship-master, who has visited distant countries, is not in danger of impositions when he engages in mercantile pursuits, from the common reports often got up by speculators, and those who obtain profits by misrepresenting the state of trade in other countries. Such a man is able to decide correctly for himself, in most cases, without seeking for advice of others, who may be induced to deceive him. Many of those who deserve the name of merchants in this country, were sometime ship-masters in early life, or supercargoes in voyages to distant regions.

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* The attentive reader of the Magazine may detect some views similar to these, contained in an article on the comparative benefits of Agriculture, Commerce, and Manufactures, in No. VI., Vol. I.

The recollection of these facts will prevent any surprise at the large number of merchants in the Atlantic cities and towns within the United States. It is natural that it is so: it is happy for us that it is so: for their enterprises have added incalculably to the wealth and improvement of the whole country. It is matter of gratulation, that the early settlers of Virginia, about Hudson's river, and the puritans in various parts of New England, were addicted to navigation and trade. They did not depend wholly on husbandry, though this was not neglected; nor upon mechanical arts, though some of these received early attention by a portion of the people. They bought vessels in Europe, to be employed here in trade to and from the parent country, and with different parts of the American continent, and the West India islands. And they early built vessels for the purpose of extending and facilitating their commercial intercourse with the rest of the world. The opinions and views of the people in the different colonies were in some respects dissimilar. But none of them wished to flee from society, or to discard the social state, or to forego the comforts of civilization. They were all, perhaps, desirous of a more independent state; and some of them of a better, a more moral condition, than then existed in any part of Europe.

Their early voyages were for the necessaries of life; and the "Blessing," built by Governor Winthrop, in 1631, was chiefly employed for this purpose. But within the period of ten years, several large ships were built in Massachusetts, of three hundred tons, or nearly of that size; and trading voyages were then made to England, exchanging fish and furs for articles most needed by the colonists; and to islands in the West Indies, and ports in Spain, France, and Portugal, a few years later. Indeed, within the short time before mentioned, Maverick, Gibbons, and others, of Massachusetts, made some voyages to the West Indies; and Allerton and Willet of Plymouth were denominated merchants, as they traded with the French settlements, at Penobscot, and farther east in L'Acadie. Comfort, rather than wealth, was the object of these enterprises; for the lands were not so cultivated within the first five or six years, as to afford a sufficient supply for their reasonable wants, without importations of clothing and some provisions from Europe. And hence the policy of trade, even with the native Indians, to obtain furs to pay for debts contracted in the parent country. We are too apt to consider the early puritans as ascetics, and willing to retire altogether from the civilized world. Such was not their character. They wished, indeed, to avoid the vices and luxuries of the old world, but they had known too much of the comforts and conveniences of civilization to esteem them of no importance, or as not worth some labor and hazard to procure for their families. And literary and charitable institutions, which are only to be found where civilization and christianity have united their benign influences, they early established and maintained, even in their infant and almost destitute state. The merchants have always been among the most liberal supporters of such institutions.

What was the general and usual course of trade before the revolution, and while the navigation of the colonies was regulated and controlled by the parent state, it would not be very interesting to American merchants of the present day particularly to state; and the principal places and articles have been already noticed. It is well known, that it was exceedingly restricted and cramped by acts of the British parliament, with a view to the prosperity of the mother country, if not for the direct purpose also of preventing the growth of the colonies, and keeping them dependent on the political authority of the crown. But for these restrictions, the commercial enterprise and the general prosperity of the colonies would have been far greater in 1770, than facts testify they were. The natural resources of the country would have been developed, and the unrestricted enterprise of the merchants must have added greatly to our strength and wealth at that period. The war of the revolution, which continued from 1775 to 1783, deprived the United States almost entirely of the blessings of commerce; and our navigation was necessarily employed as the means of defence. For seven years after the peace of 1783, the American merchants were struggling against the adverse policy of other nations, without aid from our government, either state or continental, but with no little success; so that when the federal government was established in 1789, commerce was regarded as the chief source of a revenue which would revive the public credit, and therefore received the early attention and encouragement of our national rulers.

Even then, indeed, the spirit of commercial enterprise had sent our vessels to various places on the shores of the Baltic, to the more distant ports in the East Indies, to the islands in the Pacific, and to the northeastern coasts of the American continent. And these maritime adventures, under the untoward circumstances of the times, are striking proofs of the energy of the American character, as well as of the preference of a portion of our citizens for commercial pursuits. It would seem that no discouragements could extinguish that spirit of enterprise whose object is foreign trade and commerce, and that no want of aid from government will divert man from the business of navigation.

For nearly twenty years, our commerce extended and prospered in a measure almost unexampled. It received a favorable impulse from the federal government, and its increase called forth the industry of all classes of people, and added to the wealth of the nation. The administrations of Washington and Adams, afforded it direct and efficient protection; and in return received from it all the benefits they expected or hoped—the means of supporting the credit and paying the debt of the nation. It would have been impossible to collect a revenue by direct taxes, adequate to the exigencies of the general government. It was in the successful pursuits of commerce chiefly, that ability was found to pay the debt of the United States, amounting, in 1790, to $120,000,000. The interest of the debt alone, would have proved a grievous burden to the people, without the means arising from trade and navigation. The sales of public lands have, indeed, amounted to an immense sum; but the government has realized comparatively little: the expenses of land agents, with what has been granted to the new states, has consumed eighty per cent. of the lands alienated by the United States.

It is also to be recollected, that on enterprising merchants, more than on any other class of men, the mechanics and the laboring portion of the community are dependent for profitable employment. In the seaports, where the mechanics are industrious and frugal, their condition is that of comfort and competence, and they are frequently able to give their children a superior education. To the merchants, the husbandmen are also indebted, in a great measure, for a market for their surplus produce in foreign ports, and for thus keeping up the price of their products at home also.

But in contending for the benefits of commerce and navigation, it is not my purpose to undervalue the importance and the necessity of agriculture; nor in giving a high estimate of the latter, can we be justly charged with a design to underrate the advantages of the former. They will generally prosper and decline together; and the extent and success of one will not fail to promote the interests of the other. We therefore protest against the hasty conclusion, that they who plead for the cause of agriculture, are necessarily inimical to commerce, or would place any impediments to its prosperity. And it is believed the wise observers of the times must perceive, that the interests of navigation and commerce for the future will be closely connected with an extended and improved state of agriculture in our country. This is now, indeed, the plain language of facts. Not that there must be a new order of things, or a very material change in the course of trade: but that navigation will be more supported than formerly, by conveying the products of our soil to foreign countries; and the merchants will find much of their employment in supplying distant nations with the fruits of our industrious farmers. In less than one week, in the month of February just past, 25,000 barrels of flour were shipped for Europe, besides a large amount to the West Indies and Brazilian ports, at the city of New York; and nearly the same quantity, at the same time, at Philadelphia. Thus the farmer furnishes the means of profitable occupation to the merchant and to the navigator; and the merchant is enabled to pay for the foreign goods and articles which he imports, without draining the country of its specie to meet the demands of his creditors in Europe.

There is nothing *new* in all this, it may be said; every one sees and admits it. But do we conform to the theory in our practice? Has proper encouragement been given to the interests of agriculture by either the general or state governments? Is agriculture cherished as the support, and the permanent support, of commerce? And is it not essential to the prosperity of commerce, that agriculture be extended and improved in the United States, if our immense population, and it is constantly and rapidly increasing, cannot subsist, or cannot have all their wants supplied, but by a proportionally large commerce. The products of other climes, to a vast amount, are annually consumed or sought for among us. And how are these to be procured, except by means of commerce and navigation; and by the transportation of the surplus products of our country in exchange? The exports of cotton from some of the southern states are to a great amount, and some other states export tobacco and rice; but the middle and western states can only raise grain for exportation. And where they now raise one hundred bushels, they might raise two or five hundred. There should be encouragement for such a purpose, as well for the benefit of the merchant who exports, as of the farmer himself who grows it. Before the revolution, fish, and naval stores, and tobacco, were the great staples of which our exportations consisted. Now it is cotton and grain; and the latter will probably be of superior amount, unless there is some unexpected change in the state of Europe, or a mistaken indifference of the importance of agriculture should prevail in the country.

It would certainly be a most mistaken and unfortunate policy, to compel the citizens of the United States to withdraw from the ocean, and to become exclusively an agricultural people. Commerce is indispensable to our growth and power as a nation. In this age of the world, a people situated as those of the United States are, would be little accounted of or respected, who were without commerce. And it is, therefore, worthy of deep consideration, even with the friends of commerce, whether, if agriculture is not encouraged and carried to a more prosperous state, the interests of foreign trade and navigation will not speedily and extensively suffer.

It cannot be said that manufactures are as favorable to the interests of navigation as agriculture. Their extension is undoubtedly for the general prosperity of the country; but they are not to be cherished for the sake of any direct or peculiar advantage to the mercantile portion of the nation. For many generations, we shall have little of manufactures to send to distant countries. Our population is increasing, and will need all the goods and articles we can manufacture, unless agricultural pursuits are unusually neglected. It is true, that we export cotton goods and shoes, but they are all wanted in the country, and there is still a great importation, especially of the former. All trade with foreign nations will not, indeed, be at an end, for we cannot manufacture many articles so cheap as they can be imported from old countries, where they are made with ease and perfection. But generally speaking, as manufactures increase among us, our navigation will be curtailed, except when the labors of our mechanics shall so far exceed those of other nations, that the articles here made shall be far superior to those of a similar kind in other countries. But the tendency of agriculture is different; and its surplus products will never be an evil, for they may always be conveyed with some profit to other regions of the globe. Unless the government should be unfriendly to commerce, and should adopt the narrow policy of preventing all intercourse with other nations, the enterprising spirit of the people will lead them to engage in trade to other countries, as their ancestors have done, and the abundance of our agricultural products will constitute their chief motive for it, as well as their profits from it.

If the subject is correctly considered, and with liberal and patriotic views, there will be no jealousy in the merchants towards the husbandman, but his success and prosperity will be just cause of satisfaction. For not only will the prosperous farmer furnish articles for transportation to other countries, but will consume a much greater amount of the articles imported in exchange from foreign parts, where they are more naturally or more easily produced.

There is another consideration, which should lead us to appreciate more highly than many do, at present, the advantages of agriculture, and that is, to induce a greater portion of the rising generation to give their attention and labors to that important department of national wealth and prosperity. It is believed there is less fondness for cultivating the soil than there should be in such a country as ours; far less than would necessarily conduce to a general supply and competence. As sincere patriots, we must desire to witness an increase of farmers, either great or small, with five hundred acres or with fifty; for these are the citizens who are truly attached to the welfare of the country, and who are too independent to be bribed or influenced by the hollow-hearted demagogue. And as friends to commerce, we should like to see a less number crowding into shops, and engaging in mere traffic for a subsistence. To be either respectable or successful, there must be only a due portion of people concerned in merchandise and navigation. Especially is it necessary, to be an honorable and prosperous merchant, to have experience and knowledge of the course of trade in other countries. And yet many seek to become merchants, that they may suddenly acquire wealth, whose only claim to the honorable distinction is, that they are extravagant and injudicious speculators. A good merchant must have enterprise, but he must also have prudence and experience, or his enterprise will only be another name for recklessness and folly. It is precisely because we desire to see our merchants honorable and respectable, as they have usually been, and the concerns of foreign commerce in the hands of upright and intelligent men, that we intimate a wish that the profession may not be crowded by persons eager only for wealth, and destitute of the education and probity proper for so elevated a rank in society. And all the present generation need to be admonished, of the pernicious results of that reckless spirit for speculation which now prevails in this country, beyond that of all others; and which aims to secure wealth or competence without steady labor and habits of industry. It would greatly promote the general prosperity, if a far larger portion of young men would become practical farmers; and in most cases, their worldly lot would thus be far more free from calamitous reverses, than by engaging in speculation, where the chance is three to one against success; or in trade, with an expectation of becoming rich or independent, without diligent application to business.

The intelligent merchant himself would not desire to have the profession crowded, nor be ready to recognise every uninformed and petty trader as a brother in that honorable profession. He is liberal, indeed, in his feelings, and therefore will extend the hand of friendly assistance to one who is worthy, by his education and habits and integrity, and who promises to pursue a prudent and honorable course. He has no narrow or jealous views, and therefore is far from obstructing the path of the young adventurer, whose enterprise will be guided by judgment and honesty of purpose; and it is only such characters that he is pleased to see entering on the mercantile career. And the young men, too, who aspire to the honorable profession of merchants, should be impressed with a deep sense of the importance of a regular preparation for the exertions and duties necessary alike to their success and their reputation. In a word, the business of a merchant is a profession, an art; and they who would excel in it, must be trained to it by a proper course of study and of practice. The enterprises and the services of such men are necessary to the respectability of the nation. They afford proof of its prosperity and its civilization; they are the messengers of its intelligence and glory to distant countries. But the merchants of the United States must remember, that they are citizens of a vast empire, and in some measure on a level with the industrious mechanic, farmer, and manufacturer; that they are members of one great body, of which the others are also essential parts; nor would they be much in error by recognising the independent landholders and cultivators of the soil, as the true lords of the realm.

ART. V.—LAWS RELATIVE TO DEBTOR AND CREDITOR.

No. III.

THE MODE OF PROCEEDING IN NEW JERSEY FOR THE RECOVERY OF DEBTS, AND IN GENERAL FOR ENFORCING PAYMENT AND SATISFACTION OF ANY CLAIM OR DEMAND.

IN order to a full understanding of the laws of New Jersey, relative to debtor and creditor, and the mode of proceeding for the recovery of any debt or demand, it will be necessary to give a cursory view of the several courts, and the subject matter of their respective jurisdictions.

In this attempt we are, very fortunately, not driven to the unwelcome necessity of marking step by step the wily progress of either court in obtaining cognizance of any matters, which originally were or might have been of doubtful claim; nor amid the struggles of contending jurisdictions, to point out the cunning fictions which any one court has resorted to, in order to obtain concurrent jurisdiction, at least, in those actions, of which any other has claimed to have the exclusive cognizance.

Happily in New Jersey, as to the matter of jurisdiction, no court need trespass upon the right of another, nor in any contest upon this point, will it be necessary for either to intrench itself behind the "*ac etiam*" of a king's bench, or the "*quo minus*" of an exchequer, to defend itself against any exclusive claim of the other.

The line of demarcation is also so clearly drawn around each, by statute and practice, that I apprehend the humiliating picture need never be presented to the "good people" of New Jersey, of a presiding judge of the common pleas, and the chief justice of the supreme court, submitting to the unsuccessful umpirage of the chancellor of the state the question of their respective jurisdiction.

The case of Chief Justice Keelynge and Sir John Vaughan, in the reign of Charles the second, has, it is believed, never became a leading one to settle questions of usurped jurisdiction; for all that is taught by that single and singular case, is that Sir Matthew Hale, who was umpire in the cause, proved himself to be, as he had always been, a most upright and impartial judge; for this worthy chief baron of the exchequer, perceiving that the declamatory argument of Sir John Vaughan against the unwarranted use of the magical *ac etiam* of the king's bench, was a sinister aim at the unjustifiable introduction of the *quo minus* in the exchequer, like an honest judge begged to decline the umpirage altogether, and left the wily justice of the king's bench in quiet possession of all the advantages of the *custodia maraschalli.*

Courts of Civil Jurisdiction, wherein cognizance is had by Writ or Process.

The courts of civil jurisdiction in New Jersey, which obtain cognizance by writ or process, are four in number, namely, the justice's court, or as it is commonly styled in the writs and records of the supreme court, the "court for the trial of small causes;" the inferior court of common pleas holden in every county in the state; the circuit court, also holden in every county in the state, and the supreme court of judicature of the state of New Jersey. These are all courts of original, and three of them of appellate jurisdiction, namely, the common pleas, the circuit court, and the supreme court, and in what way appeal is made to them will be shown, when we come to speak of the proceedings in each.

Court for the trial of small causes.

This court is created by statute, and by the act passed the twelfth of February, 1818, it is enacted, that every suit of a civil nature, at law, where the debt, balance, or other matter in dispute, does not exceed, exclusive of costs, the sum or value of one hundred dollars, shall be and hereby is made cognizable before any justice of the peace, of any county in this state, who is hereby authorized to hold a court within such county, to hear, try, and determine the same, according to law, although the cause of action does not arise in the same county; and farther, that the said court shall be a court of record, and vested, for all the purposes aforesaid, with all such power as is usual in courts of record of this state. But by a proviso in the same section, it is declared, that the jurisdiction of the justice shall not extend to any action of replevin, slander, trespass for assault, battery, or imprisonment, or to any action wherein the title of any lands, tenements, or hereditaments, or other real estate, shall or may in any wise come in question. Accounts for an unlimited sum may be settled in this court, and a judgment obtained for the balance, provided it be reduced within the jurisdiction of the justice by real bona fide credits.

So, also, whenever any bond, bill, note, or other contract in writing, for the payment of any sum above one hundred dollars, shall by bona fide payments endorsed thereon, or set-off, be reduced to the sum of one hundred dollars or under, the balance is considered as the real debt, without regard to any penalty expressed therein, and may be recovered before the justice; and every sum of money, or penalty, not exceeding one hundred dollars, shall be sued for and recovered in this court.

A justice may hold his court any time or place within his county, and is always open for the issuing and return of process; but must name the time and place when and where his court is to be held, in all process returnable thereto.

OF ACTIONS COGNIZABLE BEFORE A JUSTICE.

The following will comprehend the cases usually occurring, viz.:

1. Debt.
2. Covenant.
3. Trespass with force and arms, (excepting as before mentioned.)
4. Trespass on the case.

It is useless for the purposes of this article, to speak of the subject matter of all these different actions. Let it suffice to mention those only which belongs to the action of debt; and because the statute creating this court has made some alteration of the common law in this particular, and made that a subject matter for the action of debt, which strictly belongs to the action of assumpsit.

Actions of Debt are,

1. On a former judgment.

2. On an act of the legislature to recover penalties, where no particular action is directed.
3. On a lease for a certain rent.
4. On bond.
5. On a sealed bill, promissory note, or bill of exchange, whether foreign or inland, and between any of the parties thereto, whether drawers, acceptors, or endorsers, and checks on banks.
6. On an agreement under seal to pay money.
7. For money lent and advanced, paid, laid out and expended, for defendant at his request, and for money received by defendant to the plaintiff's use.
8. For work and labor.
9. For goods sold and delivered.
10. For a book account.
11. For a legacy.
12. And, in general, upon all assumpsits for the payment of money only.

Also, against constables, and other officers, for neglect of duty, etc., as is provided in the act, but which need not be mentioned specifically.

The common law rules with regard to the parties, as well as the style of the action, must be observed, excepting as above mentioned.

The Process to be made use of in this Court.

The first process which may be issued against any defendant or defendants from this court, may be a summons, or a warrant in the nature of a *capias ad respondendum*, as the case may require; but the plaintiff may, notwithstanding, in any case make use of the former. But in cases where the defendant is a freeholder and resident in the county where such process shall be issued, and in cases wherein the defendant cannot be holden to bail, the first process shall be a summons. Provided, however, if any plaintiff, his attorney or agent, shall prove either by his or her own oath or affirmation, or by the oath or affirmation of any indifferent person, to the satisfaction of the justice, that if the process be by summons against such freeholder, the plaintiff will be in danger of losing his or her debt or demand, or doth really believe that such freeholder will abscond, or depart or remove from the county wherein he or she resides, before the return day of the summons, then it shall be the duty of the justice to issue a warrant against such freeholder. But by an act passed two days after the passage of the above, it was declared, that it should not be lawful thereafter to confine the person of any female for debt; therefore no warrant, in debt, under any circumstances, can issue against a female—a wise provision of the legislature, clearly evidencing the gallantry of the then members, but which would have shone more conspicuously, had their generosity induced them to have extended the provision to all civil actions whatever.

In addition to the above modes of proceeding, parties may agree to enter, without process, any action before a justice of the peace, to the decision of which he is competent if process had been executed, and such court may proceed therein to final judgment and execution, in the same manner as if a summons or a warrant had been issued or served.

Either party is also entitled to have his cause tried by a jury upon request.

Proceedings after the return of Process.

Upon the return of process, the plaintiff must file a copy of his account, or a state of demand, setting forth his cause of action or complaint. Strict technicality is not required in this proceeding. It is sufficient if there appear upon the declaration a substantial cause of action, with the necessary or usual circumstances of time, place, and person. The different actions must be clearly distinguished, so that what is alleged in debt, may not seem more properly to belong to covenant, trespass, trespass on the case, or other action than debt; so vice versa. The defendant, if he have a legal claim against the plaintiff, must file an off-set of the same on the return of the summons; or when the process is a warrant, at the time of the hearing of the cause; but if the warrant shall not have been executed three days prior to the day of hearing, then the defendant, upon entering into the recognisance prescribed by law, may have farther time, not exceeding three days; and if he refuse or neglect to deliver and file the same as aforesaid, he is forever thereafter precluded from having or maintaining any action therefor. Provided, however, if the balance found to be due defendant shall exceed the sum of one hundred dollars, the defendant shall not be precluded from recovering his or her account or demand against the plaintiff, in any other court of record having cognizance of the same.

Of the Judgment.

A judgment in this court does not bind the real estate of the defendant or plaintiff; but the execution to be issued on any such judgment, commands the constables, who are the ministerial and executive officers of this court, to levy and make the debt, or damages and costs, of the goods and chattles of the party, and for want of sufficient goods and chattles whereon to levy and make the same, to take the body of such party, and convey him to the gaol of said county.

Of the proceedings on Execution after Judgment obtained.

Under this head will be considered,

1. In what cases execution may issue immediately.
2. In what cases, and for how long a time, there must be stay of execution, if judgment be against a freeholder.
3. In what cases a person not a freeholder may obtain a stay.

I. *In what cases Execution may issue immediately after Judgment.*

1. In all cases where judgment is for costs only, as upon a nonsuit or discontinuance, execution may issue immediately against the plaintiff.

2. In all cases where plaintiff or defendant recover a sum under five dollars, execution may issue immediately, whether against a freeholder or other person.

3. In all cases where judgment is against one not a freeholder, execution for any sum may issue immediately, unless the defendant shall appear on the return day of the summons or warrant, or by consent with-

out process, or on the day that judgment is rendered, and procure a good and sufficient freeholder, resident in the county, to confess judgment with him, and then such defendant shall be entitled to all the privileges of a freeholder.

4. In all cases where judgment is entered against a freeholder for any sum, execution may issue immediately, if the party for whom judgment is given shall make it appear, on oath or affirmation, to the satisfaction of the justice, that he is in danger of losing his debt or damages, if delay of execution be allowed; but if the party against whom execution is prayed, shall thereupon give sufficient security to the adverse party for the payment, he shall be entitled to his privilege.

II. *In what cases, and for how long a time, there must be a stay of Execution against a freeholder.*

1. *When a month is allowed.*—When any judgment given against a freeholder, shall not be more than fifteen dollars, nor less than five, execution shall not issue until after one month from the time when such judgment was rendered.

2. *When three months.*—If the judgment exceed fifteen dollars, and is not more than sixty, no execution shall issue until after three months from the date of such judgment.

3. *When six months.*—When any judgment is rendered against a freeholder for any sum above sixty dollars, no execution can issue until after six months from the time of rendering such judgment.

But when a suit is brought upon a judgment before a justice, and judgment rendered therein, execution may issue immediately, provided the time limited for stay of execution, as above mentioned, have expired since the first judgment; or if not, then such farther time, as with the time already passed since the date of the first judgment, will make up the time allowed for stay.

If the suit have been commenced by summons, the justice may consider the defendant a freeholder, so as to grant a stay of execution, until the contrary be shown.

Of proceedings on Appeal.

Under this head will be considered,

I. Who may appeal, and in what cases.

II. Of the manner of appealing, and the duty of the justice thereon.

1. *Who may appeal, and in what cases.*

Either party may appeal from the judgment of a justice to the court of common pleas of the county, to be holden next after the rendering of such judgment, whether the judgment be in his favor or against him, except in the following cases:

1. When judgment has been given by default, which does not mean without evidence, and simply by default, neglecting to appeal, (for evidence of the claim is always required in this court,) but where the defendant makes no objection whatever to the claim or the proceedings.

2. When judgment has been given in the absence of the defendant.

3. On a debt, demand, balance, or other matter in dispute, not exceed-

ing three dollars, excepting where the judgment is rendered on the verdict of a jury, when an appeal will lie, though the demand be under three dollars; so also if the judgment be on a report of referees.

2. *Of the manner of appealing, and the duty of the Justice thereon.*

If the judgment have been rendered by a justice without a jury.—The party demanding the appeal, must enter into a bond to the other party, with at least one sufficient surety, being a freeholder in the county, in double the sum for which judgment was given, conditioned to prosecute his said appeal with effect, and abide the judgment of the common pleas, and pay such farther costs as shall be taxed, if the judgment be affirmed. And upon tendering this bond to the justice, and demanding an appeal, he is to grant the said appeal.

If the judgment have been rendered on a verdict, or by a report of referees.—The appellant, at the time of filing the bond with the justice, must also file an affidavit made by himself, that the appeal is not intended for delay, and that he verily believes he hath a just and legal defence to make upon the merits of the case.

The duty of the justice thereon, is to send a transcript of the proceedings and judgment, under his hand and seal, together with the bond and affidavit, to the clerk of the common pleas, on or before the first day of the next term of that court. If he refuse or neglect, the common pleas proceed against him by rule and attachment.

It will appear that it is on proceedings in the justice's court, as above mentioned, that the court of common pleas becomes a court of appeal, as was heretofore mentioned in this article.

In all the cases above excepted from appeal, the party thinking himself aggrieved by the judgment of the justice, may remove the judgment into the circuit court of the county, or into the supreme court of the state, by certiorari, for the correction of any supposed error therein.

No attorney's fees, as such, allowed in this court.

We have been thus particular in speaking of this court, because it is created by statute, and governed by rules of proceedings therein prescribed, which are at variance in many particulars with the common law; and because also, the sum of which it has jurisdiction is unusually large, more so, perhaps, than the same court in any other state of the union. Suitors, therefore, who are often deterred from prosecuting small claims, by reason of the large bills of costs that are often created, are above shown a mode for the recovery of a large sum, attaching to itself no such odious feature as an attorney's "fee bill." The whole taxable costs amount to a few shillings, and the attorney for his services must depend upon the liberality of his client.

MODE OF PROCEEDING IN THE HIGHER COURTS IN NEW JERSEY.

Of the Court of Common Pleas.

These courts are courts of original jurisdiction and of record, and have all the power incident to courts of common law, except in cases of a criminal nature, to institute, hear, try, and determine all personal actions and causes, to conduct the same, issue subpœnas, render judgment, and award execution thereon, according to law and right; but actions personal, of a local nature, are confined to the proper counties in which such cause of action arose, and their territorial jurisdiction is confined to the county in which they are holden; and as appellate courts have cognizance of all causes which are brought before them on appeal from the "court for the trial of small causes."

Of the Circuit Courts.

These courts were created by statute, passed the 14th of February, 1838, and are holden in every county in the state, at the times and places appointed by law for holding the courts of common pleas (which are four times in the year) in such county, except in two counties mentioned in the act; and, in addition to the power and authority there possessed by said circuit courts, of trying issues in fact from the supreme court, they are by said act constituted courts of original jurisdiction and of record, and are vested with, and have all the power and authority incident to courts of common law, except in cases of a criminal nature; and have power, authority, and jurisdiction in like manner, and to the like extent as the court of common pleas and supreme court have, to institute, hear, try, and determine all actions and causes, real, personal, and mixed; to conduct the same, issue subpœnas, render judgment, and award execution thereon, according to law and right. But in actions of a local nature, the same must be confined to the proper counties in which such cause of action arose.

These courts have also cognizance of other matters, which it is needless to mention.

Their territorial jurisdiction is confined to the county in which they are respectively held; and are courts of appeal upon certiorari from the justice's court, and from the common pleas in causes tried there on appeal from the justice's court.

The Supreme Court.

The civil jurisdiction of this court embraces all the civil actions, which are cognizable in the common pleas and circuit courts of this state; but no issues in fact are triable in this court, unless the matter or property in dispute shall be of the value of three thousand dollars. The territorial jurisdiction of this court extends over the whole state.

OF THE MODE OF PROCEEDING IN THESE COURTS FOR THE RECOVERY OF DEBTS AND DEMANDS.

As all the proceedings which it is necessary to mention in this article, are common to all these courts, they shall be included under one head, and whatever is hereafter mentioned, must be considered as relating to each, unless particularly excepted.

The first process to be made use of.

The first process allowed by law in personal actions, in cases where the plaintiff is not entitled to bail, is a summons, which amounts to no more than a notice to the defendant of the action that is brought against him. And in cases where the plaintiff is entitled to bail, the first process is a *capias ad respondendum*, a writ commanding the sheriff to arrest the defendant by his body, that he may have him in court upon the return day of the writ.

A female, however, is privileged from arrest for debt, therefore under no circumstances can she be arrested for that cause of action; and we question very much whether any judge, at this time, would order any woman to be holden to bail for any other cause of civil action, wherein as against a man an allowance of bail may be granted.

Surely that feature of the law, which authorizes a man to be imprisoned for debt, is odious enough, or, to say the least of it, is no ornament to a statute book. But what shall be said of that judge, who should order a female to be imprisoned in a civil action.

That complaint must be of an exceedingly aggravated character, amounting almost to a crime, which would justify such a proceeding; yet we shrink back from the contemplation of such a trespass by any woman, and are willing and ready to declare that no female should be arrested in any civil action whatever.

Proceedings on Arrest.

In order to an arrest, it is necessary that an affidavit be made of the cause of such action, and filed with the clerk of the court out of which the writ is to issue; which affidavit may be made before the chancellor of the state, or any judge of a court of record of this state, or any master in chancery, or any justice of the peace of this state, or any mayor, recorder, or alderman, of any city or borough of this state, or any commissioner for taking bail and affidavits in the supreme court of this state; or, if the plaintiff be out of this state, before any judge of any court of judicature, or a notary public, of the state, kingdom, or nation, in which the plaintiff resides, or happens to be.

The capias, which is issued upon this affidavit, only authorizes the officer to take the body of the defendant, so that he may have him in court upon the return of the writ.

Upon the arrest, the defendant is allowed to give bail to the sheriff for his appearance at the time and place mentioned in the writ.

As against residents, there is no mesne process of attachment in New Jersey, to compel a defendant's appearance to answer any action; and whatever objectionable features there may be in its proceedings in other respects, it is certainly relieved from this very exceptionable one.

Thus brought into court by the two methods above mentioned, the defendant is proceeded against according to the rules of pleading and the practice of the courts, all of which we pass over as being too tedious, as well as useless, to mention.

The comparative merits of the two processes used in commencing an action, naturally becomes a matter of some consideration with every suitor in the courts; and it is almost impossible to say, with any positiveness or certainty, which is the better of the two.

A man unacquainted with the practice of the courts in all its details, readily supposes, that that process which compels his debtor to give bail, must of course have the advantage; yet when he is introduced to the various modes in which that bail may be discharged, he as quickly perceives how accidental that advantage becomes. For instance, if a creditor hold his debtor to bail, he is sure, at least, of his appearance at court, for if he give bail to the sheriff for that appearance, it rarely happens that he does not appear, either by surrendering himself to the custody of the officer, after special bail filed, or by putting in special bail, and not surrendering. If he surrender himself, what possible advantage has the plaintiff gained from the bail to the sheriff. They are discharged thereby, as well as the special bail; or if he do not surrender, but puts in special bail to the action, then no benefit is derived from the bail to the sheriff, for they are immediately released.

But he has, under this last case, bail to the action. What advantage accrues to a plaintiff from this ? In the first place, the bail may surrender the defendant any how they please before judgment, and any time after judgment, if it be on or before the return day of a certain writ, called a scire facias, which is sued out against them, and which is served upon them; or some time during the term to which a summons served upon them is made returnable. As these writs against the bail are issued and served some days before they can possibly be charged for not surrendering the defendant in time, how easy is it for the bail to take their principal, and surrender him to their relief.

What is gained, then, by all this proceeding ? Surely the creditor has his debtor confined in close custody, unless he can be so fortunate as to procure some friend to become his surety, that he will take the benefit of the insolvent laws at the next term, or that he will keep within the bounds of the limits prescribed by the inferior court of common pleas of the county.

And what man in any community, is hardly so fortunate ? If the principal be really insolvent, scarcely will his bail wait upon him so long before a surrender, as to receive a warning from the plaintiff of his intention to make him liable if he can. And what man is there, who, because he is bail for a friend, thinks himself under any greater moral obligations to pay his debt.

The only hope for a creditor under these circumstances, and it is a forlorn hope indeed, is that the principal will abscond or secrete himself so as not to be taken and surrendered by his bail, or as a "dernier resort" to keep hope still alive, that the bail will voluntarily pay the debt for him. All the advantage, therefore, of this mode of proceeding, is accidental at the most.

We proceed now to speak of the

JUDGMENTS OF THE SEVERAL COURTS.

Judgments rendered in the common pleas and circuit courts are of the same efficacy, and have a binding force upon the property of the party over the same extent of territory, they being concurrent as to territorial jurisdiction.

The effect of them, is to bind the real estate of the party, lying and being in the county wherein the court is held in which the judgment is rendered.

All conveyances, therefore, of any real estate, made by the party against whom the judgment is rendered, after the actual entry of such judgment on the minutes or records of the court, are void and of no effect as against the judgment creditor.

The personal estate of the party, however, is not so effected by the entry of the judgment; but in order to secure a lien thereupon, it is necessary to issue an execution, and deliver the same to the proper officer for service; and then the personal estate of the party is bound from the time of such delivery, which time is readily known by the endorsement of the officer upon the writ, which he is obliged to make at the time he receives the same. Questions of priority of lien, whether upon real or personal property, need never be agitated, (except in cases of fraud on the part of prior execution creditors,) as the endorsement of the sheriff, or other officer, can immediately settle the point.

The jurisdiction of the supreme court extending over the whole state, judgments rendered in it bind the real estate of the party, at the time above mentioned, wherever the same is situate in the state. So also in the other two courts as well as in this, whatever real estate a party acquires after the date of the judgment against him, becomes subject to that judgment, and the lien instantly attaches. They remain, after recording, in full force and effect, so that actions may be brought thereon any time within twenty years, or may during that same time be revived by scire facias; but the time during which any person entitled to the benefit of the judgment, who shall have been under the age of twenty-one years, femme covert, or insane, shall not be taken or computed as part of the said limited period of twenty years.

Of the Execution.

There are three kinds of executions recognised in the above courts, viz.: a "*capias ad satisfaciendum,*" a "*fieri facias de bonis,*" and a "*fieri facias de bonis et terris.*"

The first, commanding the sheriff to take the body of the defendant, and keep him till he make satisfaction of the debt or damages, may be used in all cases against residents as well as non-residents.

This writ will detain the defendant in close custody, until he give a bond to keep within the prison limits, or a bond to apply at the next term of the court of common pleas for the benefit of the insolvent laws of the state, or until he make satisfaction of the debt or damages.

This is the highest writ known to the laws, and after it no other can issue on the same judgment, excepting in the two following cases:

First. If the debtor, after being committed to prison by virtue of an excution, shall escape thence, the creditor, at whose suit such prisoner was charged in execution at the time of his escape, may retake such prisoner by any new capias, or *capias ad satisfaciendum,* or sue forth any other kind of execution on the judgment, as if the body of such prisoner had never been taken in execution.

Second. That if the party charged in execution for any debt or damage recovered, die in execution, then the plaintiff may have a new execution against the goods and chattles, lands and tenements, or any of them, of the person so deceased, in as simple a manner, and to all intents and purposes, as he might have had, if the person so deceased had never been taken and charged in execution. Provided, however, that no person, at whose suit any such party shall be in execution, and die in execution, shall have or take any new execution against the lands, tenements, or hereditaments, of such party so dying in execution, which shall at any time after the judgment against such party so dying as aforesaid, have been by him sold bona fide for the payment of any of his creditors, and the money given for the lands, paid, or secured to be paid, to any of his creditors, with their privity or consent; nor against any lands, tenements, &c. of such party so dying in execution, which shall have been sold by virtue of any other judgment and execution against him so dying as aforesaid.

The second, is a "*fieri facias de bonis,*" and as the words import, is an execution commanding the sheriff to levy and make the debt or damages of the goods and chattles of the party.

The third is a "*fieri facias de bonis et terris,*" and commands the officer to levy and make the debt or damages of the goods and chattles of the party, and for want of sufficient thereof, to make it on the residue of the lands, tenements, and hereditaments of the defendant.

In the above courts, executions issue immediately after the rendition of the judgment, no stay thereof being allowed, either against residents or non-residents, or whether they be freeholders or not, excepting where the party wishes to bring a writ of error; then, in order to stay the execution, a recognisance must be filed, as prescribed by the act, within fifteen days after the rendition of the judgment.

Complaints are sometimes made by the foreign suitors in the courts of New Jersey, of the great delay and tardiness accompanying their proceedings.

In the collection of claims above one hundred dollars, six, nine, and twelve months often intervene between the commencement of the action and the final receipt of the money.

The state of New Jersey being of an agricultural, rather than of a commercial character, the same necessity for a very speedy determination of a suit, does not prevail, as in those states wherein are large commercial cities. It seldom happens that the docket of any one court, in this state, becomes so crowded with cases, that they may not be disposed of at any one sitting.

In large cities and populous counties, remedies must be speedy to prevent an aggregation of suits upon the calendar, for the final determination of which, long sessions of the courts must be had. These are objectionable upon two important grounds. Those plaintiffs whose suits are placed low on the list, are compelled to be in attendance, with their witnesses, watching their turn for trial, which may not arrive for weeks, and are consequently subjected to both delay and a heavy expense. But perhaps the greatest objection to long sessions, is the detention of the jury, who are either farmers, and must necessarily incur a loss by their absence from their farms at those seasons of the year, when a day is of all importance to them, or are manufacturers and mechanics, and must suffer great detriment in business, by reason of their continued absence from their factories and work-shops.

For these reasons, it is to be regretted that, in some parts of New Jersey, particularly in the county of Essex, some more speedy way for the determination of causes has not been provided by the legislature. Some satisfaction, however, is derived from the present constitution of the courts, and the delay in their proceedings; and that consists in their certainty and regularity.

There is cause for regret after a hasty and erroneous proceeding.

Amidst the multiplicity of causes which may be entrusted to any one attorney, time is given him to look well at his step before it is taken; and besides, parties are not driven to a hasty trial, before they have time to collect their evidence and gather together their witnesses. This delay favors one party at least, towards whom it has always been the disposition of the law to extend the greater lenity, if it do not prejudice the right of the other.

Defendants, both in civil and criminal actions, have received the more indulgence from the law; and from the fact, that the presumption of the existence of the plaintiff's claim in a civil suit is against him, and of the wounded "dignity," and disturbed "peace" of the crown or the state in criminal cases, is against the king or the people. The delay, then, in the proceedings at law in New Jersey, is consistent at least with the principles of a sound and wholesome jurisprudence.

ART. VI.—MERCANTILE LAW REPORTS.

CHEATING—FRAUDULENT ENDORSEMENT OF A NOTE.—COMMISSION MERCHANTS—THEIR DUTY TO INSURE GOODS CONSIGNED TO THEM.—EASTERN LANDS—FRAUDULENT SALE.—BILLS AND NOTES.—INSURANCE.—COMMON CARRIERS.—INSURANCE—VIOLATION OF FOREIGN REVENUE LAWS—CONFISCATION IN, AND JURISDICTION OF, FOREIGN COURTS.

REPORTS of the proceedings in our courts of justice, often possess an interest far deeper than the mere legal questions involved would excite. Judicial tribunals are, in fact, the true tests of character. Few business men but are called into them in some way, either as parties, witnesses, or jurors; and fewer still but feel a personal interest in the proceedings, as they may affect, injuriously or otherwise, individuals with whom they are connected by business or friendship. Many a rogue's true character has been exposed for the first time in a court where he has been called as a party or a witness; and where, in spite of his exertions, his cunning, hypocrisy, and knavery, are, for the first time, fully laid bare to the gaze of a community, where he has hitherto, perhaps, passed as an honest man.

Judicial proceedings are among the best sources of personal history. They are the history of personal transactions which would otherwise never see the light; and they are the result of tribunals erected for the express purpose of eliciting the truth.

It behooves business men to become familiar with the proceedings of the courts of justice in all our large cities, as far as circumstances will permit. And this, not for the purpose of becoming their own lawyers—for no prudent man will be willing to go forward in enterprises involving legal responsibilities, entirely on his own knowledge of the law—nor, from a morbid curiosity, to become familiar with the details of crime and wretchedness with which our courts, and especially those of inferior jurisdiction, are attended, but for the purpose of a knowledge of those great and leading principles of law with which every man should be familiar; and especially for the purpose of obtaining a knowledge of personal character.

It is for these, among other reasons, that we devote a portion of each number of our magazine to the reports of legal proceedings; and where cases which are here presented at length, involve no legal principles of importance, they mây be useful in exposing knavery, detecting fraud, and placing individuals before the mercantile community in the true light, which a severe judicial examination, by persons entirely impartial, has thrown upon their characters. If after they have undergone this scrutiny, their reputation has received no stain, the world should know it; and if, after being weighed in the balance of justice, they have been found wanting, this fact also should be known by all with whom they have been or may be connected in business transactions.

These remarks are general. They are not intended to apply in particular to any court reports which have heretofore, or may hereafter, appear in this magazine. We have no feelings in this matter, except a desire to render ourselves useful to the public; and as chroniclers of passing events in the legal world, we endeavor to exercise the same truth and impartiality, that we do in making out statistical tables. Our duty is with the public, and not with individuals; and as we shall publish nothing in this department to gratify private feelings, so we shall keep back nothing which the public ought to know.

CHEATING—FRAUDULENT ENDORSEMENT OF A NOTE.

The Supreme Judicial Court of Massachusetts, at the last term, in Boston, were occupied several days in the trial of the case of *Thomas J. Lobdell*, broker, v. *Eliphalet Baker*, merchant.

It was an action of trespass on the case, and the plaintiff's writ set forth that the defendant, on the 25th day of February, 1837, had in his possession a certain promissory note of hand, signed by Hicks, Lawrence, & Co., of New York, payable to James J. A. Bruce, of New York, and by him endorsed, for the sum of 2,775 dollars and eighty-nine cents, payable in five months. That the defendant, wishing to dispose of the note, and with the intent to defraud any person who might become the purchaser, procured his clerk, a minor under the age of twenty-one years, to endorse the note; and on the same day the defendant sold the note to a broker, the same being fraudulently and deceitfully procured to be endorsed as above mentioned. That the plaintiff afterwards became the purchaser of the note, relying on the said endorsement as good and effectual.

And the plaintiff, in this action, sought to recover of the defendant the full amount of the said note, and interest, together with the cost and expenses incurred by the plaintiff in an action against the above mentioned minor.

The plaintiff contended and attempted to prove, that the defendant received the note in question, and several others, amounting to about $7,000, in New York. That on his return to Boston, he asked one of his clerks if he was afraid to endorse the notes. The latter said he was not, and wrote his name as requested, and subsequently they were delivered by Mr. Baker to Benjamin Winslow, a broker, to be sold. That Winslow sold the note which was the subject of this suit, to George B. Stearns, of whom the plaintiff received it. That the sirname of the clerk being the same as that of a well known firm in New York, although his christian name was different, it was the intention of the defendant to give the impression that the note was, in fact, endorsed by a member of that firm. That Hicks, Lawrence, & Co., and James J. A. Bruce, the makers and first endorser of the note, had failed, and when the plaintiff came to hunt up the second endorser, he found, to his surprise, that he was a clerk in the employ of the defendant, and a minor. That the plaintiff commenced an action against the clerk, and the latter pleaded infancy, and recovered costs against the plaintiff. That the defendant procured the notes to be endorsed fraudulently, and with an intent to deceive and cheat any and all persons who might purchase them. That the defendant sold the notes to Winslow as New York business paper, and that Winslow so represented them when *he* sold them.

On the part of the defendant, it was admitted, that he procured the note to be endorsed by his clerk, well knowing that he was a minor; but it was contended, and attempted to be proved, that the defendant did not intend to defraud any one. That it was his intention to sell the notes in New York for foreign exchange, or to send them there by the clerk, and he wished them endorsed for safe remittance. That the defendant is a man of quick and sudden feelings, and acts in all his business transactions upon the impulse of the moment. That immediately after the clerk had written his name upon the notes, the defendant said he was sorry for it, but added that "it would do no harm." That it was a very common thing for merchants to procure their clerks, although minors, to endorse paper; that though this was not strictly right, it still was common. That Mr. Winslow came to the defendant's counting room, and the defendant instructed a clerk to give him (Winslow) a memorandum of these notes; that the clerk did so, and the defendant took the memorandum, and seeing the name of the minor on it, he told the clerk to make out another, omitting the name of the second endorser, (the minor.) That this memorandum was given to Mr. Winslow, to sell the notes by, who came in subsequently and said he had sold the notes, and wished for them to deliver to the purchaser. That the notes were given to him. That he afterwards came in and remarked that the name of the second endorser was not on the memorandum originally given him; that Mr. Baker then distinctly said to him, "that name is nothing." That the notes were sold on the memorandum which did not contain the name of the minor, and consequently that the purchaser could not have received them on the credit of the second endorser, and consequently also, that all presumption of having put the name on the notes with a fraudulent intent was repelled. That the plaintiff did in fact rely wholly on the names of Hicks, Lawrence, & Co., who were well known on 'Change to be perfectly responsible at that time.

There were many witnesses examined in the case, and there was considerable conflict in the testimony of some of them.

The great point in the argument of the plaintiff's counsel appeared to be, that the defendant must have procured his clerk's endorsement for some fraudulent purpose, or he would not have procured it at all; and that the reason assigned for procuring it was of no substance whatever. That no evidence had been offered to show that Mr. Baker had any intention to send the notes to New York.

On the part of the defendant the great argument appeared to be, that the notes had been sold on the memorandum which did not contain the name of the minor, and the purchaser could not have been deceived, and that this fact entirely negatived any presumption of fraud on the part of the defendant.

Judge Wilde charged the jury, that the plaintiff must show,

1. That the note was put into circulation fraudulently; and,
2. That he was defrauded, or took the paper relying on the name of the second endorser.

The defendant having procured the endorsement, the burthen was on him to explain that fact.

If the jury were satisfied that Winslow was informed, before the notes were sold, that the name of the clerk was not to be relied on, this would tend strongly to rebut the implication of fraud; and if he effected the sale before the name of the second endorser was known to him, this would tend to show that no credit was given to the name of the clerk. But it was not necessary that they should be satisfied that the plaintiff took the note solely on the credit of the second endorser; it was sufficient if any reliance was placed on his name. Here, again, the burthen of proof was on the defendant, for the presumption was, that a credit was given to every name on the note.

After the jury were out several hours, they sent into court the following inquiry: "Would the plaintiff be entitled to a verdict, if the fraudulent act was proved to the satisfaction of the jury. Provided, that there was a doubt in the mind of the jury whether or not that Lobdell was apprised that the name of the second endorser was not valuable."

The judge ruled this point in favor of the defendant, as above stated, and in a short time the jury came in with a verdict for the defendant.*

COMMISSION MERCHANTS—THEIR DUTY TO INSURE GOODS CONSIGNED TO THEM.

In December last, at Boston, the case of *Bates and others* v. *Parker and others*, tried in the Supreme Court, was an action brought by Messrs. Bates & Co., of Boston, against Messrs. Parker, Howard, & Co., of New York, for not insuring against fire certain merchandise consigned to the latter house, for sale on commission, by Messrs. Bates & Co. It appeared that on the second December, 1835, the plaintiffs, pursuant to a previous agreement, sent to the defendants the invoice and bill of lading of the merchandise which had then just arrived in New York, and that it was received into the store of the defendants on or about the fourteenth December, and was burned in the great fire on the sixteenth December, not being insured. The plaintiffs produced an account of sales of a previous consignment of property, dated about eighteen months previous to the consignment in question, in which there was a charge for fire insurance, and this account appeared to have been settled, and this charge allowed without objection. Two merchants of Boston testified, that they had made consignments to the defendants, and that in their accounts a charge for fire insurance was inserted and allowed, and that they had no recollection of having given any special [illegible]ers to have insurance effected. Evidence tending to prove the [illegible] of a general usage among commission merchants in the city of [illegible] York to insure property held for sale on commission, and charged the premium to the consignor without orders to that effect, and also of a usage to make such insurance in all cases where it had been once done and the charge allowed without objection.

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* It is proper to state, that the above report is necessarily somewhat meagrè in respect to many nicely balanced points of evidence, and that it has been the endeavor of the reporter rather to present the grounds taken by thè parties, than to give any intimation as to what they made out by evidence. Upon some of the positions taken no evidence whatever was offered. They were merely conjectures of counsel, and are stated in order that the position of the parties, as they understood them, may be seen.

The defendants denied the existence of both these usages, and asserted that the property had been for so short a time in their possession in a new fire proof store, that they were not guilty of any neglect in failing to procure insurance thereof. They also argued, that the defendants were not liable as insurers, as the plaintiffs averred, but only for so much damages as the plaintiffs would have recovered if insured, from the insolvent insurance companies in New York, where the defendants had policies.

The judge directed the jury, that if the defendants, being bound to procure insurance, neglected so to do, they became thereby the insurers of the property for its full value, and as such were entitled to a reasonable premium, to be deducted from the damages. That if there was a general usage for commission merchants in New York to procure insurance on property consigned to them for sale on commission, and charge the premium to the consignors, or if there was such a usage in the cases where they had rendered an account containing such a charge, and had it allowed without objection, then the law would imply a contract by the defendants that they would follow the usage existing when this engagement was made. That it would thus be the legal duty of the defendants to insure this property with all reasonable diligence after it was received. That the jury must judge whether, under the circumstances of this case, the delay to insure for a day or two after the property was received, the defendants having thirteen days' notice that it was coming, was or was not reasonable diligence. That if they thought it was not, and either of the usages relied on by the plaintiffs was proved, they should find for the plaintiffs. In reference to the liability of the defendants for more than the insurance companies where they insured would have paid, the jury were directed to find the fact whether or no the defendants intended to cover the property by their general policies.

The jury found a general verdict for the plaintiffs. They also found that the defendants did intend to cover the property by their general policies.

EASTERN LANDS—FRAUDULENT SALE.

At the late term of the Supreme Judicial Court, in Boston, an action was tried, involving questions of peculiar interest to all who were engaged in the recent speculations in eastern lands.

It was an action brought by *P. H. & J. E. Hazeltine*, now of Lowell, Mass., and formerly of Bangor, Maine, against *Henry Warren and Augustus J. Brown*, counsellors at law, of Bangor.

The plaintiffs sought to recover of the defendants the sum of twelve hundred dollars, on a note of hand, signed by Nehemiah Kittredge, of Bangor, and endorsed by the defendants.

The counsel for the plaintiffs, in opening the case to the jury, said the note, which was the subject of this suit, was given, with others, in payment of three lots of land in No. 4, Old Indian Purchase, in the state of Maine. At the time of the land speculations in Maine a year or two ago, the plaintiffs were the owners of these three lots, and on request, gave a bond of them to Mr. Kittredge, of Bangor, who formerly owned a lot in the same township, and had sold it. They gave the bond at three dollars per acre, but the understanding was, that Kittredge was to have all he could make over two dollars and fifty cents per acre. Kittredge assigned the bond for thirty days to Horatio P. Blood, for about five hundred dollars. Before the bond expired, the land was sold to the defendants. A deed was then demanded of the plaintiffs, but they were unwilling to give one, as the land had risen in value, but finally, after taking legal advice, they executed a deed to the defendants, and one payment was made in money. The other payments were made in promissory notes, which were signed by Kittredge, and endorsed by the defendants. One of the notes had been paid at maturity. Another had been sued in Maine, and the defendants suffered the action to go by default. The defendants refused to pay the present note, on the ground of alleged deception in regard to the value of the land, although they kept it through the whole period of the speculation fever, and had sold stumpage on it for two seasons. In this defence the whole burthen of proof was on the defendants, it being necessary for the plaintiffs to make out a prima facie case only.

The note was then produced and read to the jury.

The defendants' counsel then contended, and offered evidence to prove, that Kittredge was the mere agent of the plaintiffs in selling this land; that the plaintiffs applied to him, and offered him fifty dollars to sell it at two dollars and fifty cents per acre,* that Kittredge declined, and it was finally agreed that he should, in addition to the fifty dollars, have all he could get over two dollars and fifty cents per acre; that the plaintiffs, or one of them, represented, that they had been on the land, and that it was heavily timbered with white and Norway pine, and spruce and ash timber; that the plaintiffs, or one of them, told one Potter, the surveyor who went upon the land, that he must make a good report to sell by, and promised to make him a handsome compensation in case of a sale. That the plaintiffs subsequently made the same statements to Blood that they had made to Kittredge. That they recommended their surveyor to Blood, and the latter sent him with another surveyor to explore the land. That Blood followed them, and met them coming home. He then returned with one of them, not the one recommended by the plaintiffs, and they were unable to find any ash timber at all, not a tree, but as there was a violent snow storm, they were unable to make a thorough exploration. That Blood informed the plaintiffs of the result, and they, or one of them, said there was a large quantity of ash timber there, for he had seen it. That the plaintiffs also represented the land as containing much good farming land. That all these representations of the plaintiffs were false; that the land was worth little or nothing; that there was very little timber of any sort on it, and it was literally good for nothing for farming land. That the plaintiffs had already been paid far more than the actual value of the land, and had actually got possession of it under the mortgage given by the defendants. That eastern land speculations in general, and this one in particular, were so tainted with fraud, deception, cheating, lying, and swindling, that the very term had become proverbial for those vices.

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* From the testimony of Kittredge, it appeared that the plaintiffs, or one of them, refused to pay him the fifty dollars after the land was sold, alleging that he could not *prove* they agreed to pay him that sum, there having been no written agreement!

Upon these points, the defendants introduced the depositions of Kittredge, Blood, the surveyor, and others, and the plaintiffs offered rebutting testimony.

Judge Putnam charged the jury, that so far as the defendants complain of a hard bargain, the jury had no part to take. The substantial ground of defence, if any thing, was that there was fraud on the part of the plaintiffs. Upon this point, the jury need not be satisfied that the plaintiffs intended to defraud. If they made false representations, believing them to be true, it was their misfortune, and not the defendants. If a man owns a lot of land, and in going to explore it, goes upon a lot belonging to his neighbor, and finds a mill site, and thereupon represents that his lot has a mill site, and a person purchases upon this representation, he cannot be obliged to pay, because the vender really thought his lot had a mill site, and had no intention of deceiving.

In this case, the jury must inquire what in fact were the representations of the plaintiffs. And in considering them, the jury must distinguish between the representation of facts, and the expression of opinions.

In the next place, were Kittredge and Blood the agents of the plaintiffs, or did they act for themselves alone? If they acted in the former capacity, the plaintiffs were responsible for their acts. If they were in no wise the agents of the plaintiffs, then the plaintiffs were not responsible for their statements, any farther than they were brought home to the knowledge of the plaintiffs.

But the representations respecting the land must not only be false, but they must also have influenced the defendants in making the purchase, or their contract to pay is still binding. It was not necessary that the representations should be proved to have been the sole inducements with the defendants. It was sufficient if they were influenced in part even by them.

If Potter, the surveyor, was to be believed, there was evidence of real fraud. His testimony was material, and the jury must attach what weight to it they believe was due.

On the whole, his honor considered that the principles of law contended for by the defendants, were correct; of the facts and of the application of the law to the facts, the jury were the sole judges.

The case was committed to the jury on Tuesday afternoon, December 31. They were out all night, and came in the next morning, with a statement that they were unable to agree. They were then discharged.

BILLS AND NOTES.

In the case of *Smith* v. *Bythewood*, recently decided in South Carolina, it was held, that on a note payable on demand, the maker is bound to pay immediately, and is not entitled to days of grace. The holder may sue on the same day the note is made. Any other demand than by suit is unnecessary.—1 *Price's Reports*, 245.

INSURANCE.

1. Where the master fails to employ a pilot to navigate a vessel in coming into or leaving a port, where it is customary to do so, (as the port of Charleston,) and a loss happens in consequence of a pilot not having been employed, the underwriters upon a policy on the cargo would be discharged. But if the vessel pass uninjured through the dangers, to avoid which a pilot is usually employed, and the loss happens at a point beyond which the pilot's service ceases to be necessary, the assured would be entitled to recover.—*M'Millan* v. *Union Ins. Co.*, 1 Rice, 248.

2. It is an error to consider the employment of a pilot, in coming into or leaving a port, as a part of the seaworthiness of the vessel; nothing can enter into that which is not for the whole voyage. The business of a pilot is merely temporary. He is a part of the crew of a vessel for only a few miles, or a few hours. He navigates her only occasionally. Under such circumstances, it would be an abuse of terms to say, that a competent pilot was necessary to make a vessel seaworthy. The true principle seems to be, that if a vessel without a pilot sustain injury in entering or leaving a harbor where it is customary to have a pilot, such injury does not come within the perils insured against. It is not a peril of the sea. It is a loss from the bad navigation of the vessel, and is to be set down to the fault of the master, and consequently the owners would be liable, and not the underwriters.—*Ib.*

COMMON CARRIERS.

The master of a vessel, as well as the owner, is liable to the merchant or shipper of goods, for damages, in case of injury to the goods, or their loss. But their liability is several and distinct. The master is liable precisely to the same extent, and in the same form of action, as the owner; but he is liable in a different character and on a different ground. Where he has no property in the vessel, and has only the conduct and management, he is the confidential servant or agent of the owners. They are bound by his contracts, by reason of their employment of the ship, and of the profit which they derive from it, by the receipt of the freight money. The master is also liable on his own contract for the transportation of the goods, and by virtue of his taking charge of them for that purpose. The liability of the owners is implied by law, from the nature of the employment, on the ground of public policy. The liability of the master seems rather to be by express undertaking, and although he is not owner and receives no part of the freight, yet, on the same ground of public policy and in favor of commerce, he is made personally responsible on his undertaking, even where the owners are known, which is thus far a departure from the general law of principal and agent.—*Patton* v. *M'Grath*, 1 Rice, 162.

INSURANCE.—VIOLATION OF FOREIGN REVENUE LAWS—CONFISCATION IN, AND JURISDICTION OF, FOREIGN COURTS.

The case of *Simon Bradstreet and others* v. *The Neptune Insurance Company*, which was decided at the late term of the circuit court of the United States in Boston, was an action on a policy of insurance underwritten by the defendants, for "three thousand dollars, on the schooner Gardiner, of Gardiner, at sea or in port, for and during the term of three years, commencing the risk on the 28th day of September, 1836, at noon." The policy contained the following clause:—

"It is agreed that the insurers shall not be answerable for any charge, damage, or loss, which may arise in consequence of seizure or detention for or on account of illicit or prohibited trade, or trade in articles contraband of war. But the judgment of a foreign consular or colonial court shall not be conclusive upon the parties, as to the fact of there having been articles contraband of war on board, or as to the fact of an attempt to trade in violation of the laws of nations."

The vessel was seized by the government of Mexico, within the time covered by the policy.

The defendants contended, that the seizure and condemnation of the schooner was on account of a violation of the revenue laws of Mexico, and to establish this defence they produced an authenticated transcript of the proceedings of the Mexican court against the vessel.

The plaintiffs denied the existence of any such alleged law of Mexico, or that any breach thereof was committed, or that the court passing the decree had any jurisdiction; and they insisted that the vessel was confiscated and condemned arbitrarily and unjustly, and without trial, or any opportunity on the part of the master to make any defence, or to examine any witnesses.

The questions submitted to the court were, *first*, whether the record of the proceedings was conclusive as to the existence of the laws of Mexico, the jurisdiction of the court, and the cause of seizure and condemnation, so that the plaintiffs were estopped from controverting them, and show that there was no violation of the revenue laws of Mexico. *Second*, could the plaintiffs traverse the allegations of the record, that the master of the vessel was summoned to appear and defend his rights, and that the condemnation took place after he had appeared in court and been heard, and if he could traverse these allegations, then was the record sufficiently conclusive to establish that the seizure was such as would discharge the underwriters?

On this last point, Judge Story decided, that if the proceedings before the Mexican tribunals were unexceptionable in all respects, the allegations in those proceedings *would* be conclusive on the parties; but if the defence was, that the record was a tissue of falsehoods, and that the whole proceedings were a positive fraud, evidence would be admissible to show that the master was never summoned, never did appear, and never was heard before the condemnation.

In regard to the first point above mentioned, Judge Story decided that the sentence in a foreign court of admiralty and prize *in rem*, was, in general, conclusive, not only on the parties in interest, but for collateral purposes, and in collateral suits. But this rule proceeded on the ground that the court had jurisdiction over the case, and that the thing was either positively or constructively in its possession, and submitted to its jurisdiction. And where the sentence of a foreign court *in rem* was sought to be held conclusive as to the title to property, it was essential that there have been proper judicial proceedings upon which to found the decree, by which he meant, not that there should be regular proceedings according to the forms of our law, but that there should be some certain written allegation of the offences, or statement of the charges, for which the seizure was made, and upon which the forfeiture was sought to be enforced; and that there should be some personal or public notice of the proceedings, so that the parties in interest may know what is the offence, and have an opportunity to defend themselves. Where this was not the case, a sentence ought to have no intrinsic credit given to it, either for its justice or its truth, by any foreign tribunal.

Now, in the present case, although it was quite clear that the tribunals of Mexico had jurisdiction over the subject matter, the schooner being within the limits of that government, and although it was stated in the record, that the master of the vessel appeared and was admitted to make defence before the court, yet the real difficulty was, *the total want of any libel, or allegation in the nature of a libel, containing specific charges for which the confiscation was sought.* The only documents which contained any statements on the subject, to serve the place of a libel, were, a letter from the commissioner of the custom house, addressed to the administrator of the custom house in the department, containing some general statements respecting two boxes of medicines on board the schooner. It was a mere letter from one officer to another. It made no charge against the vessel. It alluded to no seizure, and proposed no proceedings.

The next document was a letter from the administrator of the custom house to the district judge of the department, which was couched in still more general terms. It contained no accusation, asserted no offence, and asked for no forfeiture.

These were the only papers upon which the district judge proceeded to summon the captain to appear before him to defend his rights. He (Judge Story) thought it would violate all notions of the administration of public justice, to call them a libel or an accusation on which to found a decree of forfeiture against the vessel.

The vessel was confiscated; but upon what pretence or grounds was not stated in the sentence, although certain facts and grounds were stated by the attorney general and the public administrator, namely, that the boxes were brought into port without the requisite manifesto. This might or might not have been the ground of condemnation. At any rate, this court was not bound to fish out a meaning when sentences of this sort are brought before it.

On the whole, therefore, for these defects in the proceedings, his honor was of opinion that the sentence was not conclusive against the plaintiffs.

But it was not necessary to rest the case on this. There was a clause in the policy that the insurers shall not be answerable for any loss which may arise in consequence of seizures or detention from illicit trade, &c.

Now the seizure here was clearly made on account of a supposed illicit trade, that is, a trade carried on without the proper documents required by law. It was not necessary that there should have been any just grounds of condemnation. It was sufficient if there was any just ground for the supposed illicit trade. The only question was, whether the accusation of the asserted illicit trade was a mere cover for a wanton trespass and aggravated wrong, or was *bona fide*, however unfounded in fact. If the latter, the insurers were exonerated; if the former, they were liable for the loss.

This question must be determined by a jury, and it would probably be found necessary to have the Mexican laws on the subject, in order to settle the question properly. The case was therefore continued to the next term, to take a verdict of the jury on this point.

In concluding his opinion in this case, Judge Story alluded to a statement made by the American consul, that an appeal was not taken from the decree of the judge who condemned the vessel in Mexico, because it was thought to be of no use; all the tribunals being so corrupt, that justice was out of the question.

Art. VII.—THE AMERICAN MERCHANT.

The Young Merchant. Philadelphia: R. W. Pomeroy. New York: L. W. Ransom.

A little work with the above title, published some few months since, commends itself to attention, for the perspicuity of its style, the soundness of its principles, and the practical utility of its precepts. The business and social virtues and habits, essential to a promptness of character, the confidence and respect of the community, and the approbation of conscience, in those for whom the manual is especially intended, are clearly defined and earnestly impressed; and the work cannot be perused without the attainment of much beneficial instruction.

But while it is probably calculated to subserve the object intended by its author, to be a manual for the merchant, abstractly so considered, we are constrained to the declaration, that it is of too general a character to answer the requirements of a young American merchant, more especially if he be of New York, amidst the peculiar and anomalous circumstances by which he is surrounded. There is a great and pressing deficiency still unsupplied. There is yet ample room for a powerful mind, whose comprehensiveness and independence will enable it clearly to elucidate, and boldly to declare, the dangers which surround the path of the American merchant, and the responsibleness of his position, to confer upon the mercantile community, and society in general, an enduring and all-pervading benefit. We propose, without entering deeply into the subject, to define our estimate of these dangers and that position, that the propriety of our assertion may be appreciated.

It has become a matter of anecdote, that the people of the United States are so wedded to the accumulation of property, that it engrosses all their thoughts; and that a casual conversation never occurs between any two of them, without the introduction of the significant word "dollar." Circumscribing the sweeping nature of such a declaration within the limits demanded by the strictest justice, it must be candidly and honest-

-ly confessed, that the acquiring of wealth is the one great and notable trait of the American character. It is all absorbing in its engrossment of the mind; it recognises no limit, however broad may be the standard displayed, from the more humble competence, to the revenues of a millionaire. It seems to have been adopted by the mind as its aliment, to be necessary to its existence. It is not checked in its demands by the contemplation of the hoards of the past; but regarding them with indifference, its vision is ever directed to the present and the future. It is, in short, its own sufficient interpreter—"the acquiring of wealth," finding its happiness and reward in unstinted and unintermitted action. This peculiarity of its nature, widely distinguishing it from avarice, which labors only for the sake of increasing its gains, redeems it from much of the odium it would otherwise deserve, and testifies, that its growth and luxuriance are referable to the agency of strikingly peculiar circumstances. Foreign writers have uniformly attributed it and its consequent evils to the inevitable influence of our democratic government; which, by repudiating a legal aristocracy, has induced the substitution of the possession of wealth as an equivalent for titles and distinctions, the garter and the cross. But the fallacy of such an attribution is easily demonstrable and apparent. It is not to the operation of our form of government, which has nothing whatever to do with it, that the universal eagerness for gain in our community is to be assigned; it is to the discovery of a new world, when the discoverers were able to engraft the attainments of a high degree of civilization directly upon the wild luxuriance of savage nature—to the broad and glorious field for energy thus exposed—in fine, to the insatiable spirit of enterprise thus developed. It is this enterprise, not the love of money, which makes the American a money-getter; and it has become a portion of his very existence—he inhales it with every breath he draws, for its contagion pervades the very air—he is brought into the arena of life and action, by its irresistible influence—a man in determination of soul, while yet a boy in years; and it is the mentor of his mind to the moment of expiring nature. It is enterprise which inspires him to act for the sake of action—which imparts to his character a restless and never-slumbering activity—which impels him to hazard the accumulations of years upon a single stake in the lottery of speculation—which opens his ears wide to catch the first whisper of something new—which teaches him to laugh at misfortunes that would crush others in the dust—which awakens the click of the trowel and the echoing stroke of the hammer, above the yet smoking ruins of the warehouse, and bids the merchant to soar, phœnix-like, from the midst of the flames that have destroyed his all, with stronger resolves, bolder determination, and more-enduring energies, to try with fortune anew!

It is this same enterprise, to cast a glance at darker shades of the picture, which has tended to a too intense engrossment of the mind with the affairs of business, to the exclusion of those great uses and aims of life—the improvement of the mind, and the progressive elevation of the character; a neglect of domestic duties; a substitution of appearances for realities in social intercourse; induced a laxity gradually—therefore unappreciated—of that lofty incorruptibility of principle, which is man's surest safeguard; and, finally, a devotion of existence to unreal machines of happiness, which bring no true content in its progress, and sheds no ray of comfort over its close.

Are we expressing the character of our merchants? Are we putting forth assertions, groundless and base as they are wanton—base, because wanton and unprovoked? We earnestly deprecate any such accusation. We know that on our seaboard, and more especially in our own city, to which particular reference is had in the course of these remarks, the merchants give tone to society in general, and we shall be among the first to repel any unjust impeachment of them. But, at the same time, we are rendered the more urgent to impress upon the mercantile interests the social responsibleness resting upon them. We have drawn our conclusions after much examination, study, and reflection. If they be false, let our excuse and pardon be found in our good intentions. If true, when is it demanded that the truth should be spoken with more independence and earnestness? Let us be farther heard then, while we consider our points in detail.

It will scarcely be denied, in reference to the first, that the improvement of the mind, and the exaltation of the character, are sacrificed, in far too great a degree, to the anxieties and engagements of business. It may be said, indeed, with too much truth, of men, of whatever pursuits, that they live on earth as though it were forever to be their abiding place. But setting aside the great question of religious accountableness, and confining ourselves to the point already broached, viz.: the controlling influence of the mercantile interests in our social as well as business relations, is it not manifest that literature and the improvement of the mind are far too little regarded by those who are thus to give tone to the habits and customs of so great, so populous a city. Should not a vivid feeling of peculiar responsibleness to their fellow-citizens, under such a consideration, induce our merchants to relinquish something of business to their own mental improvement? And yet more,—what treasures of the truest, heartiest gratification, are neglected, for comparatively paltry acquirings! The mind is capable of enlargement in every one of its glorious attributes, saving, indeed, its own immortality; and, in the process of that enlargement, imparts to its possessor a thousand-fold return for his investment of time and labor to procure it. That is a speculation, the success of which is certain—the pursuit most honorable—the profits better than silver or gold. Would that many might embark in it who now fritter away peace, happiness, and content, in the headlong and never-ending pursuit of deceiving and useless projects, seen, alas! by their microscopic vision, to be glorious and full of reward; but when scanned by the eye of truth, frail as the spider's web, and vanishing at a breath.

We have often conversed with merchants—we say *often*, and mean as we say—some of them of age and vast influence, respected as the foremost in honor, who have acquired fortunes in their business, yet who are more totally ignorant of the geographical position of the various countries of the globe, than many a child of seven years of age. They have freighted ships for every clime beneath the sun; they will tell you the distances, the length of voyages, the risk in the chances and freights to every seaport you may name, but of the relative positions of those ports to each other, and of geographic knowledge in general, they will be profoundly ignorant. We write not of such in reproach or scorn; far from it. They began their career in those bygone years, when but little learning was to be obtained; and they deserve praise—unstinted praise—for their noble advancement, in defiance of the difficulties and impediments under which they labored. But we write now, particularly, for the eye of the young merchant; and we adduce these instances of their elders to ask, if any of them are similarly defective? If so, we say boldly, for it is truth, what is excusable in the former is unpardonable in them. And they should possess, too, a modicum of information upon all the primary divisions of knowledge. We have instanced geography, only, as being of particular necessity—for the advancement of civilization has so developed mental improvement, even in a secular point of view, to be of surpassing importance in the fulfilment of duty and the acquirement of happiness, that to neglect it is to confess oneself indifferent to the higher attributes of our nature, and a laggard in the rear of the attainments of the age.

There are those with whom we have conversed, who argue that the nature of the business of the merchant is incompatible with literature—books; and that all the learning to be expected from him, is such as he may obtain from his experience. We are disposed to deny to such shallow and insulting reasoners more room than to chronicle the argument, which is the record of their shame. While, at the present day, a want of mental cultivation detracts from the elevation of the mercantile character, there is none upon the earth more noble and worthy of respect, than the *educated* merchant—the more if he be self-educated—who combines with his honorable vocation the cultivation of those powers which, thus aroused to activity, shed a halo of never-ending delight around his path, and aid him both in business and in duty; who assists the dicta of experience in the management of his affairs, by the unfailing truths of philosophy, and the keenness of an invigorated judgment—and who has enlarged his sympathies through the improvement of his intellect. Such are the pillars of the honor of commerce.

We consider it not improper to advert, in this connexion, to the benefits dispensed to our city in the great particular we have been considering, by the MERCANTILE LIBRARY ASSOCIATION. That institution will ever be a monument to the discernment and philanthropy of its projectors and founders; heaven smile upon its prosperity!—and may the establishment of this magazine, devoted as it is to the interests and improvement of the mercantile community, prove a pioneer to that general literary advancement which we are earnest in desiring, and for which its success is an impulse to our hope.

We have said, farther, in reference to the effects of American enterprise, that it "has tended to induce a neglect of domestic duties, and a substitution of appearances for realities in social intercourse."

The mind of man, in the freedom of natural action, finds the intensest delight in the ties, sympathies, and responsibilities of "home." It is led, by an irresistible impulse, to contract those ties, that it may experience this delight. It seems to be endowed with peculiar faculties for such enjoyment, that find no rest, no gratification, elsewhere; and which, if deprived of aliment, exerts a constant power, calling out aloud for action, and even in the engrossments of business, and the excitements of pleasure, making its voice to be heard, or paralyzing joy. There is nothing, too, which so softens and elevates the mind, as the possession of a "home." Its endearing relations, its holy duties, its tender sympathies, twining about the heart closely as the very chords of existence, wean the spirit from debasing appetites; assimilate it more and more to the better things of life; give strength to virtue, soften the asperities of character, and make the desert of passion, by their gently soothing influence, "to blossom as the rose."

But what constitutes such a "home?" Not alone to take to oneself a wife, and to place her in a splendid establishment—not to furnish her with means for fashionable display—not to be the parent of children whom you love, and withal to hurry from your table when a hasty breakfast is over; to enter your door just in season for dinner, to endanger health in its rapid consumption, and haste away again; to return at evening, the thoughts loaded with the anxieties of complicated projects and designs for the future; to retire within yourself, passing the time in silent abstraction to the hour of sleep, and rising in the morning to the same undeviating round;—such is not, in our sense, a "home"—it may be a home for the body, it is no resting place for the soul.

For such sympathies, such enjoyments, such a "home," that wife must be knitted to your spirit, to commune with all its action—and then you will find one of the strong delights of your home, in mutual instruction and mutual correction; for, if she be knitted to your soul—and wherefore is she your wife if she be not so?—that correction will be recognised by each as the kind act of love, and will be a thankful gift. The assembling round your table at every meal, should be an occasion for mental as well as bodily aliment; and when the labors of the day are over, your mind should be free to consecrate the fireside, by a mingling of sympathies with those who gather there—to instruct your children—to sport, it may be, with them—to be, in truth as well as in name, the "husband" and the "father."

It has been remarked by strangers, especially the English,—for "the blessed homes of England" have been made the theme of the poets, and the English have eyes for such defects,—that, in the city of New York, there is less of fixedness, solidity, and depth, in the domestic relations and social intercourse, than in the rest of our country, or in their own land. The husband and wife are too much separated, have too little community of interests. He is day after day engrossed by his business—it may almost be said, from sunrise to sunset; and she is necessarily left to form her own plans, and seek her own enjoyments. Marryatt notices, very truly, the peculiarity in our city, that so many families take lodgings in preference to maintaining an establishment of their own. The cause, we opine, is in many instances to be sought in the too sedulous attention of the male head to business—not to economical motives, since more will he lavish on appearances, than would suffice for the genteel support of an establishment. And how much excuse is to be found for the lavish habits in the wife, when she is deprived of the concert and companionship of her husband? How much for waste of time in empty frivolities, for the final concentration of her thoughts and feelings upon the nothings of fashion?

Finally, and what is of most importance, we have asserted, that American enterprise "has tended to create a laxity, gradually induced, and therefore unappreciated, of that lofty incorruptibility of principle, which is man's surest safeguard." As the proper consideration of this point demands more attention than can be at present bestowed, it is suggested for the reflection of our readers, to be taken up hereafter.

ART. VIII.—MERCANTILE BIOGRAPHY.

RICHARD W. DOW.

THE Merchants' Magazine seems a fit vehicle for recording the worth of those called away from the midst of business life. It is a beautiful and holy thought, that, in the eagerness of competition, the anxiety of expectation, the haste of crowded cities—time should be found to remember the departed. We endeavor to secure to our own characters whatever is most precious in those no longer left among us—not merely to weave a wreath of imperishable flowers for the early tomb, but to cause the virtues of the dead, immortal as their souls, to engrave themselves on our hearts.

Richard W. Dow, of the firm of Dow & Co., was born at Salem, the 14th of August, 1810. His youth was marked by a thirst for knowledge, which often kept him away from the sports of his fellows, with some old volume of history in a garret. Though his calling in life did not favor this decided taste, he never lost his interest in books, nor his desire to promote the knowledge and use of them in the community. Many of his last evenings were spent in the Brooklyn library; preparing that institution for the high place he trusted it would take in the esteem of the community.

But another trait marked his youth even more honorably. His parents say it passed without a stain. Fit portico was it for that temple of a holy spirit we have been impelled to describe—that boy was the mould of the man—that youth the seed-time of manly goodness. The idea of right and wrong, embodied in his being from the earliest hour, spoke forth in every tone of his voice, every line of his sedate countenance. All who knew him, felt that there was a peculiar moral elevation about him. All who have mentioned his name, have at once praised that quick true conscience which exalted him in the eyes of man, and with Him who seeth not as man seeth! His brief career, just passing, one might say, the threshold of business-life, was an eloquent commentary upon commercial integrity—a trait far nobler in our eyes, and more worthy of remembrance, than that capacity for business which was observed in him by all. We may be pardoned for mentioning a single instance. Conversing with a gentleman, resident in the western part of this state, during one of the last journeys Mr. Dow made to the East, (before he found an unexpected grave in that doomed boat, the Lexington,) he remarked, "that though the great discount on southern funds would no doubt ruin many, yet that every man, rather than delay or refuse to pay his debts, should submit to the loss."

Mr. Dow never exaggerated, never indulged himself in vague statements, the embellishments of a wild fancy. This he avoided as wrong in itself, and fruitful of evil to society. His every word was sure as the most solemn oaths. He would often recall and qualify his statements, in some points so minute as to escape general notice. It was a systematic truthfulness, the united result of high principle, and a thoroughly just education, which alone is able to purify society from the countless evils of deception. One instance we recall, of his emphatic directness in the use of language. A southern merchant had written to inquire, if it would be convenient, instead of paying certain notes at six months, to pay them at three, six, and nine months. Mr. Dow's whole reply was, "It will." Its singular appropriateness induced the gentleman to seek his acquaintance, and enter into frequent business correspondence with him.

But his severe views of duty were blended in beautiful harmony, in perfect proportions, with other prominent traits. Though firm in the right, he was ever gentle to the wrong—impregnable in his own principles, he respected the principles of others. Often and often we have known him, in the peace-maker's spirit, check severe criticism, defend the absent, (one perhaps who had injured himself,) and extenuate conduct which did not admit of honest justification. Chivalrous in his devotion to duty, he was equally remarkable for the modesty of his self-appreciation, and the generous praise he bestowed on the worth of others.

A devoted son, (relieving his father of burdens which his infirmities permitted him not to undertake, the hope and support of his age,) a loving brother, a fast friend. He showed in this active community, that business talent and energy are in nowise incompatible with that earnest solemnity of spirit, which (by frequent musings on its destiny) works out in the soul the fire-baptism of holiness!

Had his life been spared, from his love of usefulness, and his unusual power of self-concentration, great might have been his services to society—important the part he would have borne in the world's progress! But, though to die at thirty years of age was indeed soon for us, it was not too soon for the ripeness of his character and the meekness of his spirit! Though to be called away without one farewell to those we love, or one hour of calm thought, amidst circumstances of unusual horror, shocks every sentiment within us—yet no one who knew Mr. Dow can doubt, that he met his fate calmly, trusting fully in the providence which stayed his steps, and called him to lay his head on some unknown spot in the ocean deep—that he laid down this life for a higher and better, peacefully—

"As fades a summer cloud away,
As sinks the gale when storms are o'er,
As gently shuts the eye of day,
As dies a wave along the shore."

ISRAEL THORNDIKE,

A distinguished merchant of Massachusetts, was born in Beverly, as one of his biographers states, in 1757, but we think a year or two before that period. He was, for some years of his youth, an apprentice to the cooper's trade; but his enterprise burst out while he was quite young, and at the commencement of the revolutionary war he engaged in privateering, and soon became part owner and commander of a privateer, which made many successful cruises. He was a bold athletic commander, possessing the most unquestionable courage, and superior strength of body and mind. After the close of the war, he engaged in the fisheries and foreign commerce, and grew rich. When the old confederation was found deficient, and a federal constitution was proposed, Mr. Thorndike was elected, from his native town, one of the members of the state convention for the adoption of the constitution, and he was as efficient as any man in that body; not that he made long and learned speeches, but that he talked with the yeomanry of that body in a style of common sense which they understood, and his arguments had the desired effect.

For many years he was elected to the senate of the state, and always brought a great share of practical good sense to the question under discussion. He aspired to no grace, no ornament, but took up the subject in a clear, forcible manner, and always said something worth remembering.

From Beverly he removed to Boston, and soon took a high stand among merchants and politicians. His wealth allowed him to live in a more splendid style than any other man in the city, but there was no parade about it—all seemed as natural as if he had been to the "manor born."

He was a careful observer of the times, and when commerce began to be taxed with heavy duties, he at once invested a large portion of his large capital in manufacturing establishments, which he early saw would be the true policy of New England. His investments in real estate, shipping, or factories, were wonderfully judicious, and hundreds watched his movements, believing that his pathway was safe.

In addition to other public acts of munificence, he purchased, in 1818, the library of Professor Ebeling, of Hamburgh. This library contained between three and four thousand volumes of American history, or kindred works. The possessor had been one of those valuable enthusiasts for the rights of man and the liberty of nations, who had caught at and preserved every thing relating to the history of this new world, while those on this side of the water had too often been unmindful of preserving matters of moment to their posterity. It is probable that this is the most complete collection of newspapers, pamphlets, state papers, and books relating to America, that is now extant. Mr. Jefferson had done much in this way, but Professor Ebeling much more. The public are under lasting obligations to Mr. Thorndike for bringing this treasure to the United States.

Mr. Thorndike died May 10, 1832, at Boston. He was an active business man to the last of his life. His fortune was the largest that has ever been left in New England. Many years may pass, before the public will find another man so entirely the maker of his own fortune, by strength of intellect and nerve, as Mr. Thorndike. It may be said that he resembled more the Amsterdam than the Florentine merchant; still his sagacity, foresight, energy, and patriotism, was not surpassed by any one of the princes of traffic that history has brought down to us.

NATHANIEL TRACY,

A distinguished merchant previous to, and during the revolutionary war, was born at Newbury, afterwards Newburyport, about the year 1749. He was the son of Patrick Tracy, who was an opulent merchant in that place, and having a proper view of life, gave his sons the best education the country afforded. Nathaniel graduated at Harvard college, 1769, and commenced business in his native town in company with Jonathan Jackson, an accomplished gentleman and thorough merchant. The house was prosperous, and extended its concerns to a wonderful magnitude for that day. During the war of 1775, his privateers were for several years numerous and successful. He was generous and patriotic, and assisted the government with money and articles of clothing, and other necessaries for carrying on the war. He lived in a most magnificent style, having several country seats, or large farms, with elegant summer houses and fine fish ponds, and all those matters of convenience and taste that a British nobleman might think necessary to his rank and happiness. His horses were of the choicest kind, and his coaches of the most splendid make. He expended as if fortune would be always propitious, and the thought of straitened circumstances never came across his mind. But in the last years of the war, the enemy had grown wise, and sent a large proportion of small frigates and heavy gun brigs, and swept the American privateers from the ocean. The government failed to pay him; his debtors, who were numerous, had encountered similar difficulties, and, in 1786, he was minus some millions of dollars. His splendid estates sold for a small portion of their value, and he gave up business, retiring to a large farm which had been secured to his children. Fortunately, his debts were of such a magnitude, that he was not pestered by a swarm of little creditors, who rejoice in having a momentary power over a man once so conspicuous in society. These little vampires love to suck the blood of fallen greatness, and to show their lips red with a drop of the current from the noble veins of one who has moved in a region beyond them. Tracy was too sensitive to bear his misfortunes as a philosopher or a subdued christian. He sunk under them, and found a premature grave. He left a widow and several children; she was an elegant woman, and supported her dignity to the last hour of her life. He had, when fortune smiled, built up hundreds of little men, who made sage sayings, and quoted wise saws, upon his profusion in the days of his glory, a portion of which had been lavished upon themselves. He was a gentleman of polished manners and fine taste. In looking upon his houses and works of amusement at the present time, when most of them are in a state of decay, you still see the hand of taste in every thing he did. Does not some of the surplus revenue of our country belong to those who brought their property to the shrine of their country in the hour of darkness and peril, and threw it down at the altar, as a free will offering, to secure our liberty and independence? The history of those times is glanced at, and makes up the theme of the political declaimer, at every touch and turn in his pathway, but no serious examination has ever been gone into, nor will there ever be a true history of those times written. Such men saved the nation,—must they be forgotten?

Art. IX.—MERCANTILE LITERATURE.

Hints to Tradesmen, and Maxims for Merchants. Boston: Perkins & Marvin. 24mo. pp. 96.

This little volume commends itself to the attention of young tradesmen and merchants, as embracing within its comprehensive pages, maxims and sentiments which, if carried into practice, must generally insure success in mercantile life. The maxims are expressed with force and piquancy, and, on the whole, we can cordially recommend it to our mercantile readers as a useful book.

We give an extract or two from the introduction, as furnishing some idea of the author's style and views, touching the subjects discussed.

"'How to get money,' is now the order of the day—'the one thing needful,' so far as worldly matters are concerned. It is, I admit, an awkward thing to begin the world without a dollar; and yet hundreds of individuals have raised large fortunes from a single shilling. I know a builder, now worth two hundred thousand dollars, who was a bricklayer's laborer forty years ago, at eight shillings per day. He became rich by acting upon principle. He assured me that even when he was in this employment he contrived to save a few shillings a day out of his earnings, and thus laid by $100 per annum. From this moment his fortune was made. Like a hound upon the right scent, the game, sooner or later, was sure to be his. He possessed an indomitable spirit of industry, perseverance, and frugality, and the first $100 he realized became the foundation for thousands.

"The world at large would call this man fortunate, and ascribe his prosperity to good luck; but the world would be very wrong in doing so. If there was any luck at all in the matter, it was the luck of possessing a clear head and active hands, by means of which multitudes of others have carved out their own fortunes, as well as the person to whom I allude. Franklin and Girard may be mentioned as instances:—they adapted the means to the end; a process which commands a never failing success. In brief, they were men of business!

"But to be frugal is not of itself sufficient,—the young man who would insure his success must be industrious too:—what is saved by thrift must be improved by diligence, for the last doubles the first, as the earth, by reflection, renders the sunbeams hot, which would, otherwise, seem but warm.

"What cannot be done by one stroke may be effected by many; and application and perseverance have often succeeded when all other means have failed. Nothing can be more ridiculous than that, because we cannot suit our means to our ends, we will not suit our ends to our means; or because we cannot do what we will, we will not do what we may, depriving ourselves of what is in our power, because we cannot attain things beyond it; whereas, the way to enlarge our ability, is to double our industry, because, by often repeated efforts, we may accomplish, in the end, what in the beginning we despaired of.

"The fool who promises himself success without endeavors, or despairs at the sight of difficulties, is always disappointed; but, on the contrary, he who is indefatigable succeeds even beyond his expectations.

"There is not a more certain sign of a craven spirit, than to have the edge of one's activity soon turned by opposition; on the contrary, there is no disputing his fortitude who contends with obstacles, and never gives over the pursuit till he has reached the end he aimed at. Indeed, to tempers of this kind, few things are impossible.

"It argues a weak and pusillanimous spirit to sink beneath perplexities and calamities, and rather sit down and lament one's misfortunes than attempt to remove them. If, therefore, young reader, you ever apprehend yourself to be, in a manner, overwhelmed with adversities, bear up boldly against them all; you have this advantage, at least, it will be the longer before you sink, and perhaps allow time for some friendly hand to interfere for your preservation.

"The force of example is the greatest force in the world, because it is the force of habit—which has been truly and appropriately called, a second nature. Its overwhelming influence is so great, that honest men become rogues by contact. Do you imagine yourself exempt from the contagion? If strong-minded men have frequently fallen victims to evil examples, how shall the weak escape? Very easily! Do not submit yourself to it. The preliminaries of temptation are easily to be avoided, however difficult the subsequent coils may be to unwind. If you mean to make your way in the world, look about you, and ensure your well-doing by copying the habits, and following the example of those only whose conduct, experience, and success, entitle them to the character of models.

"Nothing is more deceptive, or pernicious, than the idea which is entertained by some, that the rich obtain their wealth without exertion—merely by what is termed 'good luck.' There is no sure way of getting money but by industry; and no way of keeping it, so as to grow rich, but by economy. The foundation of great fortunes are all to be traced to small beginnings, small profits, and frugal expenditures. The man who desires to grow rich, must never wait to acquire large sums before he begins to save. The economy of small expenses lays the corner-stone of wealth. Large amounts take care of themselves; it is the small dribbles that waste the substance, and keep men poor, if they are not careful to restrain their outgoings. One of the most opulent merchants now living, made his fortune by gaining and saving sixpences!

"The philosopher's stone is no fiction. He who labors with industry, and lives with economy, will find it at the bottom of the crucible of life, to reward his toil, and compensate him for his virtue. It was a favorite theme with Girard, when he grew rich, that he commenced life with a sixpence; and that a man's best capital was industry. He died worth $10,000,000!"

AGREEMENTS.—The time has been, when a verbal contract between two parties would be considered binding. The world since then has changed, and in order to be perfectly safe from loss or injury, I advise my readers to deal with every man and woman, so far as business is concerned, as if they were rogues. They may start, but I state no more than what is necessary to be done. As for friends—with them, still greater precautions are needful. Let nothing of any moment whatever be undertaken without its being first penned down in black and white, and signed in the presence of a witness. You have then some data to go upon, and can right yourself, in case of necessity, in a court of law. A want of attention to these points in early life, cost me some thousands. I paid dearly for my experience, but if I may yet be serviceable to my fellow-tradesmen, the money will not have been altogether thrown away.

STATISTICS OF COINAGE.

ANNUAL REPORT OF THE DIRECTOR OF THE MINT OF THE UNITED STATES.

Philadelphia, January 30, 1840.

The coinage executed at this mint, in 1839, amounted to $3,021,170 11, comprising $1,040,747 50 in gold, $1,949,136 in silver, and $31,286 61 in copper, and composed of 9,260,345 pieces.

The deposits of gold within the year amounted to $1,042,500, of which $138,500 was derived from the mines of the United States.

The deposits of silver amounted to $1,851,500, and consisted principally of Mexican dollars.

Statement of the Coinage of the Mint of the United States, Philadelphia, in 1839.

DENOMINATIONS.	*Pieces.*	*Total number of pieces.*	*Value.*	*Total Value.*
Gold.				
Eagles	38,248	....	$382,480 00	....
Half eagles	118,143	....	590,715 00	....
Quarter eagles	27,021	....	67,552 50	....
		183,412		$1,040,747 50
Silver.				
Dollars	300	....	300 00	....
Half dollars	3,334,561	....	1,667,280 50	....
Quarter dollars	491,146	....	122,786 50	....
Dimes	1,053,115	....	105,311 50	....
Half Dimes	1,069,150	....	53,457 50	....
		5,948,272		1,949,136 00
Copper.			....	
Cents	....	3,128,661	....	31,286 61
		9,260,345		$3,021,170 11

Statement of the annual amount of Gold deposited at the United States Mint, Philadelphia, from the mines in the United States.

Years.	*Virginia.*	*North Carolina.*	*South Carolina.*	*Georgia.*	*Tennessee.*	*Various sources.*	*Total at U. S. Mint.*
1824	....	5,000	....	....	....	....	5,000
1825	....	17,000	....	....	....	....	17,000
1826	....	20,000	....	....	....	....	20,000
1827	....	21,000	....	....	....	....	21,000
1828	....	46,000	....	....	....	....	46,000
1829	2,500	134,000	3,500	....	....	....	140,000
1830	24,000	204,000	26,000	212,000	....	....	466,000
1831	26,000	294,000	22,000	176,000	1,000	1,000	520,000
1832	34,000	458,000	45,000	140,000	1,000	....	678,000
1833	104,000	475,000	66,000	216,000	7,000	....	868,000
1834	62,000	380,000	38,000	415,000	3,000	....	898,000
1835	60,400	263,500	42,400	319,900	100	12,200	698,500
1836	62,000	148,100	55,200	201,400	300	....	467,000
1837	52,100	116,900	29,400	83,600	....	....	282,000
1838	55,000	66,000	13,000	36,000	1,500	200	171,700
1839	57,600	53,500	6,300	20,300	300	500	138,500
	539,600	2,702,000	346,800	1,820,000	14,200	13,900	5,436,700

There was also deposited for coinage in 1839, as follows:

Coins of the United States, old standard	$7,000
Foreign bullion	167,000
Foreign coins	730,000
	$904,000

Statement of deposits of Silver for coinage, at the U. S. Mint, Philadelphia, in 1839.

The deposits of silver, for coinage, amount to $1,851,500

Of which, there was in—

Mexican dollars	$1,406,000
Five-franc pieces of France	180,000
Other coins	100,000
Bullion and plate	164,000
Parted from gold	1,500

Statement of deposits of Gold and Silver, for coinage, at the Branch Mints of the United States, in 1839.

Deposited at the Charlotte branch mint	$126,836
Deposited at the Dahlonega branch mint	113,035
Deposited at the New Orleans branch mint	259,060
	$498,931

Recapitulation of deposits and coinage at the U. S. Mint and branches, in 1839.

DEPOSITS.

MINTS.	GOLD.			*Silver.*	*Total.*
	U. S. Gold.	*Foreign Gold.*	*Total of Gold.*		
Philadelphia	138,500	904,000	1,042,500	1,851,500	2,894,000
Charlotte	126,836	....	126,836	....	126,836
Dahlonega	113,035	....	113,035	....	113,035
New Orleans	6,869	78,290	85,159	173,901	259,060
	385,240	982,290	1,367,530	2,025,401	3,392,931

COINAGE.

GOLD.		SILVER.		COPPER.		TOTAL.	
Pieces.	*Value.*	*Pieces.*	*Value.*	*Pieces.*	*Value.*	*Pieces.*	*Value.*
183,412	1,040,747 50	5,948,272	1,949,136	3,128,661	31,286 61	9,260,345	3,021,170 11
41,640	162,767 50	....	....	....	....	41,640	162,767 50
32,613	128,880 00	....	....	....	....	32,613	128,880 00
....	....	2,401,600	227,160	....	....	2,401,600	227,160 00
257,665	1,332,395 00	8,349,872	2,176,296	3,128,661	31,286 61	11,736,198	3,539,977 61

STATE OF THE BRITISH MINT.

A document has been recently printed by order of the house of commons relating to the mint, and giving an account of all the supplies now remaining there, of the sums advanced out of the consolidated fund for purchasing bullion for coinage, of cash received in payment for coin delivered, and of the sums paid into the exchequer in payment of the advances from January 1, to December 31, 1839. This document shows, that the total assets remaining in the mint on the 31st of January, 1839, were £68,589 1*s.* 8*d.*, of which £25,742 6*s.* 9*d.* was in uncoined silver bullion, £3,284 1*s.* in uncoined copper, £11,571 3*s.*, in unsold silver coin, £1,376 9*s.* 9*d.* in unsold copper coin. The remainder was cash in hand, cash due from the commissariat, and balance on the exchequer and cash accounts. The whole assets are given as payable into the exchequer for the use of the consolidated fund. The total amount issued out of that fund for the purchase of bullion in the year 1839 was £382,107 2*s.* 1*d.* The value of the silver bullion and dollars purchased for coinage within the same year, at a rate varying from 58½*d.* to 60½*d.* per ounce, is stated at £360,762 8*s.* 8*d.*, which by an addition of £1,887 16*s.* 9*d.* for "gold contained in silver ingots," is increased to £362,640 5*s.* 5*d.* The mint value for the whole, at 66*s.* per pound troy, is given at £395,067 15*s.* The seignorage is stated at £34,313 16*s.* 2*d.*, from which £8 9*s.* 10*d.* being deducted for "dumb coin," leaves £34,305 6*s.* 4*d.*, the difference between the purchase and mint values.

The purchase value of copper bullion is £2,435 9*s.* 3*d.*, the mint value £5,582 12*s.* 9*d.*, and the difference gives a seignorage of £3,217 3*s.* 6*d.* The loss in exchanging old silver coin sent in for recoinage, or the difference between the nominal and the standing value, is £216 18*s.* entirely for worn out sixpences received from the bank of England. The coin account, or account of "coined monies delivered into the mint office," gives £379,170 for silver, and £5,936 for copper.—The cash account, or account of "cash received for coin," gives £363,656 4*s.*, cash received for gold contained in silver ingots being £1,887 16*s.* 9*d.* The repayment into the exchequer of advances out of the consolidated fund gives £330,000, which, with £37,140 0*s.* 9*d.* on account of seignorage, and £1,887 16*s.* 9*d.* paid for gold and silver ingots, gives a total of £369,027 17*s.* 6*d.* paid into the exchequer. The debtor and creditor account of the whole is balanced by an exchequer credit of £16,021 6*s.* 11*d.* Silver bullion remains uncoined to the amount of £43,423 3*s.* 9*d.*, copper to the amount of £3,030 13*s.* 9*d.* The balance remaining to be paid into the exchequer is £7,954 2*s.* 4*d.*

STATISTICS OF INSURANCE.

MASSACHUSETTS INSURANCE COMPANIES.

After looking over the "abstract of the returns of insurance companies, incorporated with specified capital, exhibiting the condition of those institutions on the first day of December, 1839, prepared by the secretary of the commonwealth," Dr. Jesse Chickering, of Boston, one of the most acute mathematicians in the country, and the author of the very lucid and ingenious article on the "Massachusetts banks" which appeared in the Feburary number of our magazine, prepared, and has politely furnished us for publication, the following table.

The first column of this table contains the names and localities; the second, the capital; the third, the average annual dividends for five preceding years, or since these companies were incorporated; and the fourth, the average amount of the dividends per annum, according to the above average annual dividends. It appears from this table, that there are twenty-three of these insurance companies located in Boston, whose average annual dividends for the five preceding years, have amounted to 9.48 per cent. on the capital; and eighteen companies out of Boston, whose average annual dividends have been 9.54 per cent. on the capital. The average annual dividends of the forty-one companies, have been for the five years, 9.49½ per cent. on the whole capital of 7,965,000.

According to the returns by order of the house of representatives of the fourth of February, 1836, there were twenty-seven offices in Boston, and eighteen out of Boston, —total forty-six offices; with an aggregate capital of $9,225,000. The average annual dividends were 9 3-5 per cent.

According to the returns on the first of December, 1837, there were twenty-nine offices in Boston, and nineteen out of Boston,—total, forty-eight offices; with a capital of $9,415,000.

According to the returns on the first of December, 1838, there were twenty-four offices in Boston, and nineteen out of Boston,—total, forty-three offices; with a capital of $8,316,000.

NAMES AND LOCATIONS.	*Capital.*	*Av'ge annual dividends, for 5 preceding years, or since incorp'ted.*	*Av'ge annual amount of dividends.*
American, Boston	$300,000	10 8-10 per ct.	$32,400
Atlantic, do.	250,000	6 2-5 ..	16,000
Atlas, do.	300,000	6 4-5 ..	20,400
Boston, do.	300,000	12 ..	36,000
Boylston Fire and Marine, Boston	300,000	7 1-5 ..	21,600
Columbian, Boston	300,000	6 3-5 ..	19,800
Firemen's do.	300,000	3 3-5 ..	10,800
Fishing, do.	100,000	4 4-5 ..	4,800
Franklin, do.	300,000	10 4-5 ..	32,400
Hope, do.	200,000	6 4-100 ..	12,080
Manufacturers', Boston	300,000	12 4-5 ..	38,400
Massachusetts F. and M., Boston	300,000	6 3-5 ..	19,800
Mercantile Marine, Boston	300,000	3 1-5 ..	9,600
Merchants', Boston	500.000	25 46-100 ..	127,300
National, do.	500,000	9 4-10 ..	47,000
Neptune, do.	200,000	6 1-5 ..	12,400
New England Marine, Boston	300,000	6 ..	18,000
Ocean, Boston	200,000	16 4-5 ..	33,600
Suffolk, do.	300,000	8 1-5 ..	24,600
Tremont, do.	200,000	10 ..	20,000
United States, Boston	200,000	6 1-4 ..	12,500
Warren, do.	100,000	2 3-4 ..	2,750
Washington, do.	200,000	10 1-5 ..	20,000
Twenty-three offices in Boston	6,250,000	9.48	592,630
Gloucester, Gloucester	50,000	5 4-5 ..	2,900
Lynn Mechanics', F. and M., Lynn	50,000	18 ..	9,000
Union F. and M., Lynn	50,000		
Marblehead M., Marblehead	100,000	9 ..	9,000
Essex Marine, Newburyport	50,000		
Essex, Salem	100,000	6 ..	6,000
Oriental, Salem	200,000	9 ..	18,000
Salem Commercial, Salem	200,000	8 ..	16,000
Union Marine, Salem	100.000	7 ..	7,000
Springfield Fire, Springfield	100,000	12 4-5 ..	12,800
Fairhaven, Fairhaven	100,000	12 4-5 ..	12,800
Bedford Commercial, New Bedford	150,000	18 4-5 ..	28,200
Mechanics', New Bedford	100,000	14 2-5 ..	14,400
Merchants', do.	100,000	18 6-10 ..	18,600
Pacific, do.	100,000		
Old Colony, Plymouth	50,000	6 2-3 ..	3,333⅓
Fishing, Provincetown	40,000	4 3-4 ..	1,900
Commercial, Nantucket	75,000	5 ..	3,750
Eighteen offices out of Boston	1,715,000 6,250,000	9.54	163,683⅓ 592,630
Total	7,965,000	9.49 1-2	756,313⅓

PREMIUM CREDITS IN BOSTON, ON MARINE RISKS, FROM AND AFTER THE NINTH DAY OF MARCH, 1840.

All credits shall commence at the date of the policy.

All premium notes shall be considered due on the expiration of the credit expressed in the note, and if not then paid, interest shall be exacted from that time till paid.

	To.	*From.*	*To & from.*
	months	*months*	*months*
All voyages round Cape of Good Hope, or Cape Horn.	14	7	16
Or two months after the termination of the risk, the election to be made by the assured at the date of the policy.			
To east coast of South America, between the equator and Cape Horn, or west coast of Africa to Cape of Good Hope, inclusive,	6	4	8
To Europe	6	4	8
To West Indies, Gulf of Mexico, or ports between Gulf of Mexico and River Amazon, inclusive	4	3	6
To ports in the United States, northeast of Cape Florida	3	3	4

To the West Indies, Europe, and back to the United States	10 months	
From the West Indies to Europe, and back to the United States	8 months	
To Brazil, Europe, and back to the United States	10 months	
From Brazil to Europe, and back to the United States	8 months	
To West Coast of America, China, and back,	16 months	or two months after the termination of the risk.
To North West Coast of America, China, and back,	16 months	
To North West Coast of America and China	14 months	
In the Whale Fishery to the Pacific	18 months	
In the Whale Fishery to the Atlantic	14 months	

On time, two months after the termination of the risk.

Open policies for vessel or vessels, two months after the termination of the risk.

Cases not provided for, as parties may agree, the above credits to form the basis of calculation.

Premiums, of twenty dollars and under, cash, without discount of interest.

STATISTICS OF NAVIGATION.

LAKE NAVIGATION.

Statement showing the number of Ships, Brigs, and Schooners, on Lakes Erie, Michigan, and Superior, together with their amount of tonnage and value.

VESSELS.	*No.*	*Tons.*	*Value.*	*To what Port belonging.*
Ships	1	260	$8,000	Cleveland.
Brigs	2	261	12,000	Cleveland.
Schooners	51	4,207	150,000	Cleveland.
Ships	3	685	36,000	Buffalo.
Brigs	3	677	27,000	Buffalo.
Barques	1	245	8,000	Buffalo.
Schooners	52	4,368	168,000	Buffalo.
Schooners	9	652	38,000	Presque Isle.
Schooners	5	356	10,400	Miami.
Brigs	3	559	23,000	Detroit.
Schooners and Sloops	80	4,730	120,000	Detroit.
Schooners and Sloops	15	792	58,000	Sandusky.
Total Ships, Brigs, Schooners, and Sloops	225	17,988	658,400	
Total Steamboats	61	17,324	$1,741,200	

CANADIAN NAVIGATION.

Statement of Arrivals in Quebec, from 1833 *to* 1839, *both inclusive, specifying the amount of Tonnage, number of Seamen employed, and number of Immigrants; also, the number of Vessels built in Quebec, the Tonnage, and number of Men employed in building the same.*

	1833.	1834.	1835.	1836.	1837.	1838.	1839.
Arrivals..........	1,006	1,192	1,132	1,185	1,032	1,125	1,175
Tonnage	271,148	325,863	323,305	353,505	326,186	343,782	383,844
Seamen.	12,384	13,546	13,756	14,400	12,844	13,443	15,727
Immigrants........	22,062	30,217	30,217	27,513	21,855	2,950	7,413
Ships built	13	11	18	3	18	16	17
Tonnage	3,952	4,601	8,482	749	9,220	8,448	9,312
Men employed	715	608	990	165	990	880	935

1840.—There are now in progress of building, 33 vessels; averaging 19,800 tons, and 2,090 men employed.

MISCELLANEOUS STATISTICS.

PUBLIC DEBT OF SPAIN.

At the present moment, the following detail respecting the liabilities of the Spanish Government may be acceptable to a large portion of our readers :—

Domestic debt, bearing interest up to 1834................	£9,130,000
Without interest, same date..............................	38,430,000
Together..	47,560,000
Foreign debt...	25,440,000
Cortes loans...	16,600,000
Together..	42,040,000

In 1834, the unliquidated claims on the Spanish Government amounted to 277,000,000*l.*

The arrears of interest in 1834 on 14,000,000*l* Cortes Bonds, since November, 1823, are about 7,000,000*l.*

In 1834, the estimated amount required to discharge the interest on the acknowleged debt was 3,400,000*l.* annually, while the expenditure, including the amount due for interest on the debt, exceeded 9,000,000*l.* annually.

The Spanish securities which have been introduced into the London market are as under :—

Spanish Consolidated Five per Cents. (*Active*).—In 1834, a loan of 4,000,000*l.* was raised in London and Paris for the Spanish Government, at 60 per cent., and at the same time the old Cortes loans of 1821 and 1823 were recognised, two thirds being converted into active debt, and consolidated with this loan. The dividends are payable on the 1st of May and the 1st of November, in London, Paris, and Madrid. The Bonds are for sums of 42*l.* 10*s.*, 85*l.*, 170*l.*, 255*l.*, 340*l.*, 510*l.*, 1,020*l.* respectively. No dividends have been paid on these for some time.

Deferred Debt.—At the period of the conversion of the Cortes Bonds in 1834, the arrears of interest amounted to 55 per cent., no dividend having been received for eleven years. In exchange for the Coupons the holder received Deferred Bonds which were to be gradually converted into Active Debt, commencing on the 2d of May, 1838, when one twelfth of the Deferred Debt was converted into Active; the bonds to be determined by lot; to be continued on the same day in each successive year until the 2d of May, 1849. No interest has, we are informed, ever been paid on these bonds.

Passive.—This arose from the conversion of the Cortes Bonds in 1834, when two thirds became Active, and one third Passive. It was arranged that sufficient Passive Debt should be converted annually to replace the amount of Active cancelled by the Sinking Fund, to commence on the 2d of May, 1836; but no conversion has yet taken place, nor have any dividends been paid.

Three Per Cents.—Originated in 1831, by the conversion of about £4,000,000 Cortes Bonds. The dividends were payable on the 1st of April and the 1st of October, but there are several now unpaid.

Indemnity Bonds, Five Per Cents.—These bonds were issued in 1828, to liquidate certain claims made upon Spain by British merchants and others. The amount is about £600,000, and the loan is liable to redemption, at 60 per cent., at the pleasure of the Spanish Government. The dividends are payable on the 1st March and the 1st September. Since 1837 no dividends have been paid.

We are indebted for some of these particulars to a little work published some time since by a member of the Stock Exchange, to which we have added the result of our own inquiries.

COMMERCE OF GREAT BRITAIN.

In the course of a speech in Parliament, by Sir T. Cochrane, he said: In 1790, Great Britain employed 15,015 vessels with a tonnage of 1,460,000. The value of the exports amounted to £18,544,205, and the value of the imports was equal to £17,783,572. On the 31st December, 1837, the country employed 26,037 vessels, with a tonnage equal to 2,791,018 tons, while their crews amounted to 173,506 men. The number of vessels employed in foreign trade, exclusively of those in ballast or engaged in the coasting trade, was, inwards, 12,252, with a tonnage of 2,346,300, and outwards, 10,614 vessels, with a tonnage of 1,861,121. The official value of the exports in 1838, amounted to £105,170,549, and the imports to £61,268,320. The number of vessels employed between Great Britain and Ireland was 16,347, with a tonnage of 1,585,624; and in carrying on the rest of our coasting trade, 122,443 vessels were engaged, with a tonnage of 9,315,563.

COMMERCE OF ST. PETERSBURG.

The Commercial Gazette of St. Petersburgh publishes tables of the exports and imports of that capital during 1839, of which the following are the results. The total value of imports was 198,061,386 rouble sassignats; exports, 122,018,295 roubles ass. Abstracting 2,504,445 roubles, the value of the merchandise shipped on account of captains, and what they received for passengers, the whole of this trade has been carried on by 170 houses, of which the dealings of 94 have been under, and 76 above, one million of roubles.

"Several owners of estates in the neighborhood of Tiflis," says a St. Petersburgh letter, "have for several years been growing sugar canes, which have at last produced crops beyond their hopes. Three merchants of Tiflis have established a refinery for the produce, and in three months have sent out of it 120,000 lbs. of loaf-sugar."

THE SUGAR CROP OF LOUISIANA.

From a memorial upon this subject, we learn that the average annual crop is estimated at 70,000 hhds. or 70,000,000 of pound of sugar, and 250,000 gallons of molasses. At 6 cents for sugar, and 20 cents for molasses, the product of the crop would be $4,900,000; expenses reckoned at $2,000,000, the nett balance would be $2,900,000, or about 5½ per cent. on the capital invested. At 5 cents for sugar and 17 for molasses, the nett, product would yield 4 per cent on the capital; at 4 cents and 16 cents, the nett produce would yield 2 8-10 per cent.

COMMERCIAL REGULATIONS.

CONSULAR CERTIFICATES.

PARIS, March 7th, 1840.

Ministry of Foreign Relations.

Sir:—The ministerial instructions directed to your consulate general, in the month of September, 1824, had in view to make known that, in accordance with the regulations adopted in France, for the execution of the convention of the twenty-fourth of June, 1822, with the United States of America, the merchandise coming from that country could not be admitted at the reduced duties, except, amongst other conditions, they should be accompanied by a special manifest or certificate of origin, issued by the collectors of the American customs, and legalized by the consul of France, attesting that they are the product of the soil or the manufactures of the Union.

It appears, nevertheless, from the reports made to the minister of finance, that, since some time, many American vessels have arrived in our harbors without being provided with their documents, or at least, that the captains have generally neglected to have it legalized by the consul of France, and in consequence its authenticity was not sufficiently proved.

However, sir, the administration of the French customs, not wishing to act too rigorously, consented that the cargoes thus imported should be admitted with the privilege of the convention of 1822, if there was no ground to suspect the truth of the declaration; but such an admission was permitted only as provisional, and in imposing on the interested parties the obligation of bonds, to produce within a given time the regular certificate of origin.

I must therefore, sir, request you to give public notice to the commerce of the United States, that nothing has been changed, in France, in the regulations relative to the operations of the treaty of 1822, and that in consequence, all captains of vessels, who may not be provided with a special manifest legalized by the consul of France, at the port of clearance, will not obtain for his cargo the benefit stipulated in the said treaty.

I request you to inform me of the means you may have taken for the publication of the present notice.

Receive, sir, the assurance of my most distinguished consideration.

(Signed) A. THIERS.

Mr. De La Forrest, Consul General of France, New York.

LAW RELATIVE TO VESSELS ENGAGED IN THE WHALE FISHERY.

The following law, to cancel the bonds given to receive duties upon vessels and their cargoes, employed in the whale fishery, and to make registers lawful papers for such vessels, was passed by the present congress of the United States, and approved by the President, April 4th, 1840.

1. That all vessels which have cleared, or hereafter may clear, with registers, for the purpose of engaging in the whale fishery, shall be deemed to have lawful and sufficient papers for such voyage, securing the privileges and rights of registered vessels, and the privileges and exemptions of vessels enrolled and licensed for like voyages, shall have the same privileges and measure of protection as if they had sailed with registers, if such voyages are completed, or until they are completed.

2. That all the provisions of the first section of the act, entitled, " An act supplementary to the act concerning consuls and vice consuls, and for the farther protection of American seamen," passed on the 28th day of Feburary, Anno Domini eighteen hundred and three, shall hereafter apply and be in full force as to vessels enrolled and licensed for the fisheries, and all vessels which have been engaged in the whale fishery, in the same manner and to the same extent as the same is now in force and applies to vessels bound on a foreign voyage.

3. That all forfeitures, fees, duties, and charges of every description, required of the crews of such vessels, or assessed upon the vessels or cargoes, being the produce of such fishery, because of a supposed insufficiency of a register to exempt them from such claims, are hereby remitted; and all bonds given for such cause are hereby cancelled, and the secretary of the treasury is hereby required to refund all such monies as have been, or which may be paid into the treasury, to the rightful claimant, out of the revenues in his hands.

INFORMATION TO MASTERS OF VESSELS.

Intelligence having been received at the department of state, that upon all the vessels of the United States, whether fishing or trading, passing the strait or gut of Canso, a light duty of six and two thirds cents per ton register of shipping is demanded by the British custom house officers, it is thought proper that public notice be given of the fact, in order that the masters of vessels on trading voyages, requiring their passage through the Strait of Canso, may, to avoid difficulties and delays, provide themselves with the means of paying the duty referred to; and that vessels engaged in fishing or other pursuits not requiring their passage through said strait, may not from ignorance unnecessarily subject themselves to the payment of it. As the right of the British authorities to levy the duty on fishing vessels is disputed, it is recommended that masters of vessels be prepared, in order to avoid injury from delay,—to pay the duty, but to do so under protest.

MERCANTILE MISCELLANIES.

CANTON,

One of the greatest emporiums in the East, ranking, as a port of trade, either before, or immediately after Calcutta, situated in the province of Quantong, in China; being the only place in that empire frequented by European traders: lat. 23° 7′ 10″ N., lon. 113° 14′ E.

Canton stands on the eastern bank of the Pekiang River, which flows from the interior in a navigable stream of three hundred miles to this city, where it is rather broader than the Thames at London Bridge; falling, after an additional course of eighty miles, into the southern sea of China. Near its junction with the sea, it is called by foreigners Bocca Tigris. The town is surrounded by a thick wall, built partly of stone and partly of brick, and is divided into two parts by another wall running east and west. The northern division is called the Old, and the southern part the New City. In the old city is the Mantchou or Tartar general, with a garrison of Mantchou troops under his command. The lieutenant governor, or Fooyuen's, office is also in the old city, but the governor and Hoppo (principal customs officer) reside in the new city, not far from the river.

All foreign commerce is conducted in the south-west suburb, where the foreign factories are situated, and which, with the other suburbs, is probably not less populous than the city itself. The residence of Europeans is confined to a very small space, on the banks of the river; which might, however, be as pleasant as a crowded mercantile place can well be, were it not for the great number of small dwelling boats, which cover the face of the river. The people who occupy the larger portion of these boats are said to have come originally from the south; and being a foreign and despised race, were not, at first, allowed to dwell on shore; but most of the distinctions between them and the rest of the people have been abolished.

Although Canton is situated nearly in the same parallel of latitude as Calcutta, there is a considerable difference in their temperature; the former being much the coolest, and requiring fires during the winter months. The streets of Canton are very narrow, paved with little round stones, and flagged close to the sides of the houses. The front of every house is a shop, and those of particular streets are laid out for the supply of strangers; China street is appropriated to Europeans; and here the productions of almost every part of the globe are to be found. One of the shopkeepers is always to be found sitting on the counter, writing with a camel's hair brush, or calculating with his swanpan, on which instrument a Chinese will perform operations in numbers with as much celerity as the most expert European arithmetician. This part of Canton being much frequented by the seamen, every artifice is used by the Chinese retailers to attract their attention; each of them having an English name for himself painted on the outside of his shop, besides a number of advertisements composed for them by the sailors in their own peculiar idiom. The latter, it may be supposed, are often duped by their Chinese friends, who have, in general, picked up a few sea phrases, by which the seamen are induced to enter their shops; but they suit each other extremely well; as the Chinese dealers possess an imperturbable command of temper, laugh heartily at their jokes without understanding them, and humor the seamen in all their sallies.

Ships only ascend the river as far as Whampoa, about fifteen miles below Canton; loading and unloading by means of native boats.

The Chinese, considered as traders, are eminently active, persevering, and intelligent. They are, in fact, a highly commercial people; and the notion that was once very generally entertained, of their being peculiarly characterized by a contempt of commerce and of strangers, is as utterly unfounded as any notion can possibly be. Business is transacted at Canton with great despatch; and it is affirmed, by Mr. Milburn, and by most of the witnesses examined before the late parliamentary committees, that there is no port in the world, where cargoes may be sold and bought, unloaded and loaded, with more business-like speed and activity.

The fears, whether real or pretended, of disturbances arising from a want of discipline in the crews of private ships, have been proved to be in a great degree futile; the Americans, and other private traders, having rarely experienced the slightest inconvenience from any tumults between their sailors and the natives.

Provisions and refreshments of all sorts are abundant at Canton, and, in general, of an excellent quality; nor is the price exorbitant. Every description of them, dead or alive, is sold by weight. It is a curious fact, that the Chinese make no use of milk, either in its liquid state, or in the shape of curds, butter, or cheese. Among the delicacies of a Chinese market are to be seen horse flesh, dogs, cats, hawks, and owls. The country is well supplied with fish from the numerous canals and rivers by which it is intersected.

Foreign Factories.—These extend for a considerable way along the banks of the river, at the distance of about one hundred yards. They are named, by the Chinese, hongs, and resemble long courts, or closes, without a thoroughfare, which generally contain four or five separate houses. They are built on a broad quay, and have a parade in front. This promenade is railed in, and is generally called Respondentia Walk; and here the European merchants, commanders, and officers of ships, meet after dinner and enjoy the cool of the evening. The English hong, or factory, far surpasses the others in elegance and extent. This, with the American and Dutch hongs, are the only ones that keep their national flags flying. The neighborhood of the factories is occupied with warehouses for the reception of European goods, or of Chinese productions, until they are shipped. In 1822, during a dreadful conflagration that took place at Canton, the British factories, and above ten thousand other houses, were destroyed; on which occasion the East India Company's loss was estimated at five hundred thousand pounds sterling, three fifths in woollens.

For the space of four or five miles opposite to Canton, the river resembles an extensive floating city, consisting of boats and vessels ranged parallel to each other, leaving a narrow passage for others to pass and repass. In these the owners reside with their families; the latter rarely visiting the shore.

All the business at Canton with Europeans is transacted in a jargon of the English language. The sounds of such letters as B, D, R, and X, are utterly unknown in China. Instead of these they substitue some other letter, such as L for R, which occasions a Chinese dealer in rice to offer in sale in English a rather unmarketable commodity. The name mandarin is unknown among the Chinese; the word used by them to denote a person in authority being *quan*. Mandarin is a Portuguese word, derived from the verb *mandar*, to command.—*Hamilton's East India Gazetteer; Milburn's Orient. Commerce; Companion to Anglo-Chinese Calendar, Macao*, 1832, &c.

Conduct of Chinese Government.—The only difficulty in trading with China originates in the despotism, pride, and jealousy of the government, and in the general corruption of its officers. The former affects to treat all foreigners with contempt, and is always exposing them to insult; while the latter endeavor to multiply and enforce vexatious regulations and demands, that they may profit by the douceurs given for their evasion. Hitherto we have submitted with exemplary forbearance to every annoyance the Chinese authorities have chosen to inflict; but it is questioned by some whether this be the most politic course. The imbecility and powerlessness of the government is at least equal to its pride and presumption; and in the event of its attempting to stop the trade, or to subject those engaged in it to unmerited ill treatment, it is contended that we ought, in the event of redress being refused on the presentation of a remonstrance, to vindicate our rights by force. We are rather disposed to concur in this opinion. We believe that little more than a demonstration would be necessary; and that the appearance of a single ship of the line in the Chinese seas would have more influcnce over the court of Pekin than a dozen ambassadors. But it is essential, before employing this sort of negociators, that we be well assured that we have justice on our side, and that our own misconduct has not occasioned the interruptions and annoyances complained of. The superintendents about to be sent to Canton should be vested with full powers to prevent, if possible, and, at all events, suitably to punish, any British subject who may act so as to give just cause of offence to the Chinese. We have a right to claim fair treatment from them, as we have a right to claim it from the Americans, or any other people; but we have no right to expect that our claim should be regarded, unless we respect the prejudices of the people, and the equitable rules and regulations of the government.

Trade to the North of China.—At present, all foreign trade with China is confined to the port of Canton; but this was not the case for a long time after China was visited by British ships, and it appears highly probable that it will be again extended towards the north. The interesting details given in the account of the voyage of the ship Amherst along the Chinese coast, shows that the people are every where most anxious for an intercourse with foreigners, and that the law is the only obstacle to its being carried on to a very great extent. But, where the people are so well disposed to trade, the officers so corrupt, and the government so imbecile, it may, we think, be fairly anticipated, that the unalterable laws of the "Celestial Empire" will not prove a very serious obstacle to such private individuals as may choose to engage in a clandestine trade with the northern provinces. The smuggler is even more omnipotent in China than in

Spain. The extent and perfect regularity with which the trade in opium is carried on, in defiance of all the efforts of government for its suppression, shows how unable it is to contend against the inclinations of its subjects, which, fortunately, are all in favor of a free and liberal intercourse with foreigners.

10.

CURRENCY OF CUBA.

In the following letter, addressed to the editor of the New Orleans Commercial Bulletin, our readers will find an able and lucid treatise on the financial system of Cuba. The writer resided many years on the island, and is well versed in all that relates to its manners and customs, its statistics, mode of conducting business, and particularly its affairs, commercial and financial. Much of new and valuable information may be gathered from his remarks. The style of the letter indicates the man of business, whose opinions have been formed after close, accurate, and extensive observation and experience. They are, therefore, entitled to high credit.

"*Havana, Nov.* 20, 1839.

"You ask of me to give you some information on the state of our currency, emphatically a 'hard money' one — and of the mode of doing business here, where the auxiliary to the credit system, a bank, does not exist. Also my opinion as to the effect which would follow the introduction of banks in Cuba, and whether it is likely to occur.

"1st. The currency is of gold and silver only, and composed of royal doubloons at seventeen dollars each — whilst the rebels pass for only sixteen dollars — and of all descriptions of silver coin, which pass for one sixteenth, one eighth, one quarter, and one half dollar, according to their weight! no — but according to their size; thus we are gradually acquiring a stock of your old dimes and half dimes. Years ago, God knows how long, for none can recollect, it became the custom to pay and receive pistareens at two rials or twenty-five cents each, and the coins of Spain of the value of ten and five cents passed in like manner for one eighth and one sixteenth of a dollar — no matter what be the weight of, or the impression on the coin — indeed if worn or beaten perfectly plain, it is all the same thing, so that it be 'big' enough for a rial (twelve and a-half cents) and it passes — nay, to show you how utterly ignorant are the mass of petty traders in regard to the real nature of coin — whilst the old worn and defaced dimes of Spain pass freely for a rial, your new dimes are occasionally objected to because they are not 'big' enough! It follows, inevitably, that the ordinary channels of circulation are filled with a base currency; for the term will, I presume, equally apply to an unadulterated coin and to one to which a fictitious value has been given by arbitrary custom. Almost every one who visits the island with a previous knowledge of this fact, will provide himself with so profitable an 'exchange,' and the utter futility of the laws enacted against its further introduction, is shown in the circumstance that a very large portion of the pistareens in circulation are of the coinage of our present 'Royal Mistress,' who, bless her little heart, was not born when the law was made!

"Not only is the entire circulating medium of the every-day traffic, marketing, &c. composed of these various silver coins, especially the pistareens, but so great has been their increase of late years that they now enter into every transaction among merchants and others, who handle large sums, occasioning very often disputes and altercations as to the 'proportion' to be paid or received, and to make the evil still worse, every one tries to get rid of them; every payer offers first his 'pecetas,' and thus flooded as we are with them, the quantity is apparently interminable, from the mere eagerness of every one to pass them upon his neighbor; this is done in rouleaux of sixty-eight, answering to the royal doubloon of seventeen dollars, and in a majority of cases, these are not counted. Thus opening the door, by deficient or base pieces, to a wide system of fraud, which would tempt the cupidity of any populace upon earth.

"It is equally uncertain, as far as I can ascertain it, when the royal doubloon was made to pass for seventeen dollars; but I presume it was done under the erroneous impression that it would prevent its leaving the country; but it is long since such ideas have proved their own fallacy, and that the great regulator, 'exchange,' has settled all those things in its own way. Hence, when the public convenience made it absolutely necessary to fix a standard value upon the South American gold coins, that they might enter into the currency of the island, the sagacity of the Intendente (his excellency the Conde Villanuera) was applied to preventing the further extension of the existing evil, by fixing the value of such doubloons at sixteen dollars; and even this is more than their intrinsic worth according to the British standard. Thus we have two descriptions of gold coins, which causes some little annoyance in paying and receiving; but there is scarcely any risk of loss at present, except from base pieces, which an experienced eye will readily detect.

"So much for the present 'currency,' than which, probably, a more extraordinary one does not exist in any country. Hundreds of thousands of dollars weekly paid in coins at twenty-five cents, which were issued at twenty cents, and which, frequently, are not intrinsically worth eighteen cents! and enormous amounts of gold coin passing at sixteen and seventeen dollars, which are not worth but fifteen dollars and fifty cents.

"No one troubles himself about the matter—it comes as it goes; we receive as we pay; and for those who look out beyond the hour, or the expediency of the time, it does not signify a rush. If we come here with foreign products to sell, and we are told that the price is twenty dollars, or fifty dollars for a barrel of flour, we pause to calculate what will be the nett proceeds, and how much exchange it will buy, before deciding whether the nominal price be a good or bad one; and thus it is with every business and trading transaction; provided we can pay away the money for as much as we have received it, we are content; so suffer all the evils of an arbitrary currency to be fastened upon us, taking no heed of the silent workings of a system (or rather the want of one) which sooner or later must end in an explosion, that will not only involve the holders of the coin in immediate loss, but inevitably create discontent, if not commotion, among a populace but ill-prepared to appreciate so violent a change in their circulating medium.

"2d. The mode of doing business. It is, I find, an opinion frequently expressed, that business in Havana is entirely transacted with money. Nothing can be more erroneous. The credit system, with few exceptions, is practised at this moment almost to as great an extent as in the United States. Perhaps this may be because there is an immense amount of capital always waiting employment—the one cause may have produced the other. But I have nothing to do with that. I wish only to communicate facts as they exist.

"The credit system commences at the custom-house, where one, two, three, and four months time is allowed upon the heavy duties upon flour; and the same upon all dry goods, hardware, and crockery, provided the said duties amount to a thousand dollars. On jerked beef the duty is paid on the last day of discharging. All other duties are payable in cash. But it is not exacted on making the entry; you merely hand in a note of your goods, with your signature, and the permit is granted immediately—the demand for the duties being made in regular course, varying from two weeks or two months from the date of entry.

"The produce of the island, like your own agricultural products, is generally sold for cash. But even here there are exceptions, for in many instances the sugar crops are bought at short, sometimes at long credits, (by monthly payments,) with or without interest, according to agreement. But I am not aware of credit being given on any other article of produce, unless in rare instances.

"Our provision sales on the wharf are heavy, and the greater number of the articles, *cash;* but the heaviest in amount, for credit—for instance, flour, almost invariably on a credit, varying from one to five months, according to the amount. Next in importance, jerked beef, of which the annual sales average one and a half million of dollars. A cargo usually requires for its sale and discharge, one day for every one hundred quintals; and the payments are made, one half on the day of discharge, and the other half in as many days more—or, in other words, a cargo of six thousand quintals is sold at two and four months: and lumber is very often sold either for direct notes, or in barter for molasses, deliverable at a future day.

"But the heaviest and most uniform credits are given on dry goods, hardware, and crockery; these are never sold for cash, although often paid for on delivery, with a deduction of interest on the time agreed for; the credit varies from three to six, and is often extended to seven and eight months; more especially during the time when exchange is at the highest, when the dry goods houses are, in the end, the gainers by giving credits running into the time when exchange on England is at its lowest. If to the immense amount of credits thus raised, you add a not unfrequent practice of buying exchange either for direct notes, or for those which may exist in one's 'porte feuille,' you will perceive that we have the credit system engrafted upon us in its full force.

"But this is not all. I have mentioned only the credits arising from imports and exchange. The system enters into many, if not all, the every-day transactions of the people. The planters obtain credit, as well from their factors as from their *iron-mongers*, their grocers, their clothiers, and the whole catalogue of traders who minister to their wants. The country store-keepers all keep open accounts with the large dealers in Havana, Matanzas, &c.; and it is fair to presume that the ramifications of the 'system' are through them still farther extended. If we leave the importers and wholesale dealers, and descend to the ordinary retail traffic — the markets, the petty grocers (the bodegas,) the mechanics, laborers, &c. — we find the cash system more generally in use, and long may it continue so; but even here, the 'credit system' is gradually acquiring the sanction of custom. Every one can perceive that the credit upon the flour duties extends through all the ramifications of the trade — to the consumers of the bread, who keep weekly, monthly, or even longer accounts with their bakers. It is unnecessary to give farther details — suffice it to say, that the example of the baker is insensibly working an influence over other tradesmen, and credit will sooner or later become the practice here, as it is in many other countries.

"I have thus endeavored to explain to you what appeared to you the anomalies of your hard money currency, and to correct the impression you seem to have entertained, that we were a cash-dealing people. In doing so, I have scarcely ventured to give opinions, but have stated *facts*, that cannot be without interest to any one acquainted with the island of Cuba, and its vast trade and commerce — the latter fully equalling one fifth of the United States in the time of its greatest expansion of business.

"But as it regards banks, I could but give you opinions, which would be of interest to no one; and would, perhaps, be judged of in the United States according to the political bias of the reader. As to the probability of such institutions being established here, I am unprepared to answer you: some English capitalists have long talked of doing something in that way, but their applications to the government of Spain for authority, have invariably been met with such onerous terms, that the projects have been abandoned. Why, then, you will ask, do not the great capitalists of the place combine, and form one of their own? Simply, because people, in a state of colonial vassalage, never will enter into schemes which deprive them of the immediate control of their own funds; and although an immense amount of capital is employed in private discounting through brokers, there are those who will not even do this, but keep enormous sums lying idle, because they themselves have no use for it.

"At the close of the year I will furnish you with some statistics of the island; meanwhile, I am, with regard, Yours, &c.

"P. S. Nov. 23d.—The explosion in regard to the currency is likely to occur speedily. Very recently, a merchant tendered to another a large sum of money, with thirty per cent. in pistareens; it was refused — came before the 'consulado,' which sanctioned the refusal — an appeal taken to the 'real audiencia,' which reversed this decision, and the 'pecetas' were received. Now, to-day, the officers of the government, holding the acceptance of one of the most respectable houses in the place for thirty thousand dollars, call for payment — the money was tendered, (one fourth in pecetas,) but refused, and the bill protested, under a counter-protest from the acceptors! The crisis is approaching — the explosion is at hand, and, since it must come, the sooner the better."

ANCIENT COINS.

In removing some old wooden buildings recently in Charleston, S. C., the following coins were disinterred from the repose of more than a century.

I. A coin about the size of a half dollar, one side a crowned head in the centre, and "Gulielmus III. Dei Gra." and on the other side, a vignette or compound coat of arms, representing, we believe, the three Lions Rampant of England, the Thistle of Scotland, the Harp of Green Erin, and a defaced emblem, which probably designated the Princedom of Wales, or the Kingdom of France—the Quadruple Crown—and along the circular border, 1690, Mag. Britain: et Hib. Rex.

2. A coin, so clipped as to form an irregular figure, which may be termed a catecornered square, and yet not a diamond, with two angles, also clipped, so as to make an irregular hexagon. It was originally a dollar, from the Spanish mint, with figured work on the upper and lower faces, instead of the present well known devices, and struck in 1733, during the reign of "Philip V. Hispan. et Indiarum Rex."

ADVICE TO MEN IN DEBT.

Ascertain the whole state of your affairs. Learn exactly how much you owe. Be not guilty of deceiving yourself. You may thus awaken suspicions of dishonesty, when your intentions were far otherwise.

Deliberately and fully make up your mind, that come what will, you will practice no concealment, or trick, which might have the appearance of fraud. Openness and candor command respect among all good men.

Remember that no man is completely ruined among men, until his character is gone.

Never consent to hold as your own, one farthing which rightfully belongs to others.

As you are at present in circumstances of great trial, and as many eyes are upon you, do nothing rashly. If you need advice, consult only a few. Let them be disinterested persons of the most established reputation.

Beware of feelings of despondency. Give not place for an hour to useless and enervating melancholy. Be a man.

Reduce your expenditures to the lowest amount. Care not to figure as others around you.

Industriously pursue such lawful and honest arts of industry as are left to you. An hour's industry will do more to beget cheerfulness, suppress evil rumors, and retrieve your affairs, than a month's moaning.

If you must stop business, do it soon enough to avoid the just charge of an attempt to involve your unsuspecting friends.

Learn from your present difficulties the utter vanity of all earthly things.

INSURANCE ON LIVES FOR THE BENEFIT OF MARRIED WOMEN.

The people of the state of New York, represented in senate and assembly, do enact as follows:

1. It shall be lawful for any married woman, by herself and in her name, or in the name of any third person, with his assent, as her trustee, to cause to be insured, for her sole use, the life of her husband for any definite period, or for the term of his natural life; and in case of her surviving her husband, the sum or nett amount of the insurance becoming due and payable, by the terms of the insurance, shall be payable to her, to and for her own use, free from the claims of the representatives of her husband, or of any of his creditors; but such exemption shall not apply where the amount of premium annually paid shall exceed three hundred dollars.

2. In case of the death of the wife, before the decease of her husband, the amount of the insurance may be made payable, after her death, to her children, for their use, and to their guardian, if under age.

This act passed on the first day of April, 1840, and signed by the governor, became a law on that day.

TRADE OF MASSACHUSETTS IN ICE.

Last year, the quantity of ice shipped for distant ports, at the wharves in Charlestown, on board *one hundred and forty vessels*, was upwards of *thirty thousand tons*; all of which, with the exception of about six thousand tons, was brought from Fresh Pond, Roxbury. And it is stated that if greater facilities for transporting it were offered by a railroad, the quantity would be increased. The Lowell Railroad has, therefore, obtained a grant from the legislature for an extension of the road to the Pond.

THE BRAZILIAN SLAVE TRADE.

From official returns of the vessels engaged in the slave trade to the coast of Brazil, under the Portuguese flag, for the several months of the year 1838, it appears, that, during that year, eighty-four vessels entered the port of Rio de Janeiro, and that by them 36,974 slaves were imported; and farther, that an apparent reduction in the number, compared with 1837, is accounted for, not by any falling off in this infamous traffic, but by the fact, that several of the traders have ordered their vessels to discharge at other ports of Brazil, and fit out from thence.

AFRICAN HEMP.

The African Repository states that there is in the Colonization rooms at Washington, a specimen of African hemp, a small bale of which Gov. Buchanan sent to the Board by the Saluda, in June last. This hemp is prepared from an indigenous plant which abounds in Liberia. It resembles the Manilla in colour, and is pronounced by good judges to be equal in strength and fibre to the best American hemp.

VALUABLE INVENTION.

Messrs. Coutures Brothers, of Bordeaux, glass blowers, have just introduced an important improvement into the art of blowing black or bottle-glass, by using a flexible tube, worked by machinery, for injecting air into the parcels of fluid metal, instead of letting their men continue to blow them by mouth. An ingeniously contrived cock allows them to consume just as much or as little air as is wanted. These gentlemen have declined taking out a patent for their invention, and in a spirited manner have made it public.

MERCANTILE LIBRARY ASSOCIATION OF NEW YORK.

We cannot mention in terms of too high commendation, the energetic and laudable efforts which the officers of this institution are making for promoting its usefulness, and securing to its members the enjoyment of almost unrivalled literary advantages.

They now have in contemplation the establishment of a gallery of paintings, and we trust that our native artists will be as distinguished for their liberality in contributing to its creation, and ultimate success, as they are eminent in the profession which they have chosen.

Whatever is bestowed upon this institution, whether in the literary department, or in that of the fine arts, is well calculated to confer upon its present and future members lasting benefits, while at the same time the name of the donor is gratefully preserved —a record of his beneficence and liberality.

In glancing over the donations which have been recently received, we were particularly struck with the appearance of a beautifully bound volume, containing the illustrations of Shakspeare's dramatic works, designed by eminent English Artists, and presented by A. E. Silliman, Esq., the talented and liberal president of the institution.

The engravings it contains are conceived with the greatest truth and clearness, while their execution evinces the utmost elegance, combined with an appearance of eminent strength and beauty. The thrilling scenes that are so powerfully portrayed by the great poet, are thrown by the genius of the artists into living shapes, breathing forth the soul of the master-mind by which they were created; and every illustration contained in the richly bound volume we have mentioned, is distinguished for the great force, and vivid beauty, with which the text of the author is presented to the mind of the beholder.

CONCLUSION OF THE FIRST YEAR.

With the present number is terminated the first year of the existence of the "*Merchants' Magazine and Commercial Review.*" The occasion suggests a few remarks, in which, we trust, we may indulge, without trespassing upon the patience of our readers.

Although the plan of our Magazine was novel, we were aware, in the outset, that its success would depend wholly upon the manner in which it should be conducted. Our aim has been to make the Magazine entertaining and useful to merchants; and that we have not failed in measurably carrying out our intentions, the countenance and support of a large and rapidly increasing list of subscribers assure us. The novelty of the undertaking, and the want of that experience which is necessary to the complete and satisfactory management of such a work, have been our greatest stumbling blocks; but time, it is thought, will soon conquer every difficulty, and we are sanguine enough to believe, that the future volumes of this periodical will increase in value and interest.

The suggestions of friends and subscribers have already been of great service, and unquestionably will so continue. Superadded, the hints which arise from month to month in our own minds, are by no means few in number or unimportant; and as it is our determination to spare no pains or expense to improve the work, and to make it the merchant's *vade mecum*, these suggestions will be gradually acted upon with advantage. Encouraged as we have been, we feel more and more inclined to add to the interest of our pages, and we can assure our supporters that we have arrangements in train, which will materially contribute to our success, identified as it must be with the permanent usefulness of the periodical.

The various departments of maritime and commercial law, the political economy of nations, navigation, commerce, and manufactures, mercantile biography, currency, banking, and those miscellaneous subjects which possess an interest to the merchant and man of business, and are of standard value to society and the community at large, we pledge ourselves to have filled by sound and able writers.

Although we have been more handsomely treated by those whom it was our hope to please, than was anticipated in the beginning, yet the promotion of the work depends decidedly upon the extent of patronage which we may receive. To the merchants we look for aid, but only so far as our merits seem to entitle us. We are anxious that they should make the periodical known among themselves, and moreover are strenuous in our efforts to gain their confidence and respect. So far as we have gone, we have endeavored to identify our interests with theirs, and need we say, that our exertions will in no wise be relaxed to continue in the same course.

To those who have contributed to the pages of the work since its commencement, we beg to express our hearty and unfeigned thanks, at the same time that we bespeak their aid for the future. No slight encouragement has been their assistance and co-operation, and in bringing our work favorably before the public, we are certain that their efforts have been exceedingly instrumental—indeed, so much so, that our own unaided efforts must have proved unavailing.

Hereafter, we shall present the productions of several new contributors, whose names are intimately associated with the truths of commerce, literature, and science, and whose thoughts, we have no doubt, will be examined with delight by our readers.

Notwithstanding we published a large edition of the first volume, commencing with July, and ending December, 1839, it has become exhausted, so that we are unable to answer the orders we have received for complete sets of the work. It is, however, our intention to reprint the first volume, so that we can hereafter furnish our subscribers, at all times, with the Magazine from its commencement. The statistical department, to which we shall pay particular attention, will give to the past volumes a standard value, as books of reference to the statesman, the merchant, and the public generally. At present, we are only prepared to furnish subscribers with the volume commencing January, 1840.

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